



The United Laboratories International Holdings Limited

(A company incorporated in the Cayman Islands with limited liability)
(Stock Code: 3933)

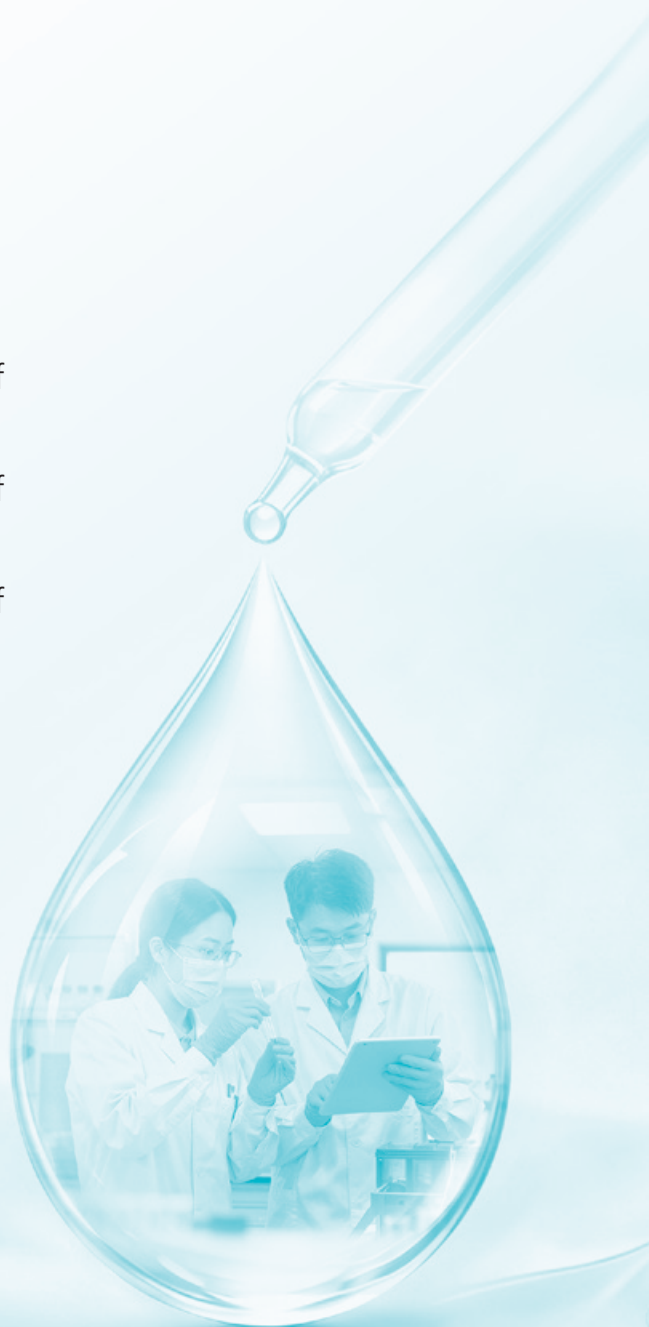
2026

INTERIM REPORT



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Financial Highlights

	Six months ended 30 June		
	2026 RMB'000	2025 RMB'000	Decrease %
Revenue	6,165,949	7,518,683	(18.0%)
EBITDA	920,817	2,752,120	(66.5%)
Profit before taxation	465,143	2,419,651	(80.8%)
Profit for the period attributable to the owners of the Company	347,644	1,894,314	(81.6%)
Earnings per share – Basic	RMB cents 17.62	RMB cents 104.26	(83.1%)
Interim dividend (per share)	–	16.0	(100.0%)

BOARD OF DIRECTORS

Executive directors

Mr. Tsoi Hoi Shan (*Chairman*)
Mr. Leung Wing Hon (*Vice-Chairman*)
Ms. Choy Siu Chit
Ms. Zou Xian Hong
Mr. Fang Yu Ping (retired on 30 June 2026)
Ms. Zhu Su Yan (resigned on 15 May 2026)

Independent non-executive directors

Mr. Chong Peng Oon
Prof. Song Ming
Dr. Fu Qiushi

COMPANY SECRETARY

Mr. Leung Wing Hon (*FCPA*)

AUTHORISED REPRESENTATIVES

Mr. Tsoi Hoi Shan
Mr. Leung Wing Hon

AUDIT COMMITTEE

Mr. Chong Peng Oon (*Chairman*)
Prof. Song Ming
Dr. Fu Qiushi

REMUNERATION COMMITTEE

Mr. Chong Peng Oon (*Chairman*)
Prof. Song Ming
Dr. Fu Qiushi

NOMINATION COMMITTEE

Prof. Song Ming (*Chairman*)
Mr. Chong Peng Oon
Dr. Fu Qiushi
Ms. Zou Xian Hong

RISK MANAGEMENT COMMITTEE

Mr. Chong Peng Oon (*Chairman*)
Prof. Song Ming
Dr. Fu Qiushi
Mr. Leung Wing Hon
Ms. Choy Siu Chit

SUSTAINABILITY COMMITTEE

Ms. Choy Siu Chit (*Chairman*)
Mr. Chong Peng Oon
Prof. Song Ming
Dr. Fu Qiushi
Mr. Leung Wing Hon

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6 Fuk Wang Street
Yuen Long Industrial Estate
New Territories
Hong Kong

PRINCIPAL BANKERS

China

Industrial and Commercial Bank of China Ltd.,
Zhuhai Xiangzhou Branch
China Merchants Bank Co., Ltd., Zhuhai Branch
Bank of Communication Co., Ltd., Zhuhai Branch
China Construction Bank Corporation,
Bayannaoer Branch
Bank of China Ltd., Zhuhai Branch
China Guangfa Bank Co., Ltd, Zhuhai Branch
Guangdong Huaxing Bank, Zhuhai Branch
China CITIC Bank Corporation Ltd. Hohhot Branch
Bank of China Ltd, Bayannaoer Branch
Huaxia Bank, Zhuhai Branch
Ping An Bank Co., Ltd., Zhuhai Branch
China Resources Bank, Zhuhai Branch
Shanghai Pudong Development Bank Co., Ltd.,
Hengqin Guangdong-Macao Deep Cooperation
Zone Branch
Industrial Bank Co., Ltd., Baotou Branch
China Bohai Bank Co., Ltd., Shenzhen Branch

Hong Kong

Bank of China (Hong Kong) Ltd.
Hang Seng Bank Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

WEBSITE

www.tul.com.cn
www.irasia.com/listco/hk/unitedlab

Report on Review of Condensed Consolidated Financial Statements



**TO THE BOARD OF DIRECTORS OF
THE UNITED LABORATORIES INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of The United Laboratories International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 5 to 34, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

		Six months ended 30 June	
	NOTES	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	6,165,949	7,518,683
Cost of sales		(4,046,465)	(3,594,809)
Gross profit		2,119,484	3,923,874
Other income	4	138,498	128,480
Other gains and losses, net	5	(177,874)	61,183
Selling and distribution expenses		(678,006)	(682,161)
Administrative expenses		(458,059)	(435,200)
Research and development expenditures		(438,925)	(498,941)
Other expenses		(9,423)	(40,531)
Impairment losses reversed (recognised) under, expected credit loss model, net of reversal	13	14,132	(16,284)
Share of results of an associate		264	28
Finance costs	6	(44,948)	(20,797)
Profit before taxation		465,143	2,419,651
Tax expense	7	(120,978)	(526,144)
Profit for the period	8	344,165	1,893,507
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		4,193	(684)
Total comprehensive income for the period		348,358	1,892,823
Profit (loss) for the period attributable to:			
Owners of the Company		347,644	1,894,314
Non-controlling interests		(3,479)	(807)
		344,165	1,893,507
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		351,837	1,893,630
Non-controlling interests		(3,479)	(807)
		348,358	1,892,823
Earnings per share (RMB cents)	9		
– Basic		17.62	104.26

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	11,582,023	11,557,901
Right-of-use assets		449,273	441,833
Goodwill		3,031	3,031
Intangible assets		293,247	274,195
Interests in an associate		7,325	7,061
Deposits for acquisition of property, plant and equipment		104,770	75,818
Deposits for acquisition of intangible assets		1,402	3,729
Deferred tax assets	7	84,341	67,399
		12,525,412	12,430,967
Current assets			
Inventories		2,680,279	2,369,133
Trade and bills receivables, other receivables, deposits and prepayments	12	5,159,174	4,741,718
Pledged bank deposits		660,248	628,503
Derivative financial instruments	16	1,728	–
Tax recoverable		16,474	123,765
Cash and cash equivalents		11,069,413	10,606,390
		19,587,316	18,469,509
Current liabilities			
Trade and other payables	14	7,830,128	7,890,941
Contract liabilities		32,306	76,785
Dividend payables	10	512,987	–
Derivative financial instruments	16	14,136	–
Lease liabilities		4,040	4,969
Borrowings – due within one year	15	1,180,823	2,106,458
		9,574,420	10,079,153
Net current assets		10,012,896	8,390,356
Total assets less current liabilities		22,538,308	20,821,323

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities	7	361,934	376,079
Deferred income in respect of government grants	14	95,506	89,644
Derivatives financial instruments	16	22,066	–
Lease liabilities		19,852	7,453
Borrowings – due after one year	15	4,743,600	2,872,831
		<u>5,242,958</u>	<u>3,346,007</u>
Net assets		<u>17,295,350</u>	<u>17,475,316</u>
Capital and reserves			
Share capital	17	18,396	18,396
Reserves		<u>17,198,071</u>	<u>17,374,558</u>
Equity attributable to owners of the Company		17,216,467	17,392,954
Non-controlling interests		<u>78,883</u>	<u>82,362</u>
Total equity		<u>17,295,350</u>	<u>17,475,316</u>

The condensed consolidated financial statements from pages 5 to 34 were approved and authorised for issue by the Board of Directors on 31 August 2026 and are signed on its behalf by:

TSOI HOI SHAN
DIRECTOR

LEUNG WING HON
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company										Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000	Treasury stock RMB'000 (Note c)	Special reserve RMB'000 (Note a)	Capital reserve RMB'000 (Note b)	Share-based compensation reserve RMB'000	Foreign exchange reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000		
At 1 January 2025 (Audited)	16,965	3,722,482	(1,038)	-	277,100	1,581,365	29,036	10,083	8,752,290	14,388,283	46,957	14,435,240
Exchange differences arising, on translation of foreign operations	-	-	-	-	-	-	-	(684)	-	(684)	-	(684)
Profit (loss) for the period	-	-	-	-	-	-	-	-	1,894,314	1,894,314	(807)	1,893,507
Total comprehensive (expense) income for the period	-	-	-	-	-	-	-	(684)	1,894,314	1,893,630	(807)	1,892,823
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(726,811)	(726,811)	-	(726,811)
Recognition of share-based compensation expense	-	-	-	-	-	-	11,725	-	-	11,725	-	11,725
Appropriations	-	-	-	-	-	105,430	-	-	(105,430)	-	-	-
At 30 June 2025 (Unaudited)	16,965	3,722,482	(1,038)	-	277,100	1,686,795	40,761	9,399	9,814,363	15,566,827	46,150	15,612,977
At 1 January 2026 (Audited)	18,396	5,710,932	(2,575)	-	277,100	1,683,516	20,055	8,927	9,676,603	17,392,954	82,362	17,475,316
Exchange differences arising, on translation of foreign operations	-	-	-	-	-	-	-	4,193	-	4,193	-	4,193
Profit (loss) for the period	-	-	-	-	-	-	-	-	347,644	347,644	(3,479)	344,165
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	4,193	347,644	351,837	(3,479)	348,358
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(512,987)	(512,987)	-	(512,987)
Repurchases of shares (Note 17)	-	-	-	(19,766)	-	-	-	-	-	(19,766)	-	(19,766)
Recognition of share-based compensation expense	-	-	-	-	-	-	4,429	-	-	4,429	-	4,429
Appropriations	-	-	-	-	-	33,475	-	-	(33,475)	-	-	-
At 30 June 2026 (Unaudited)	18,396	5,710,932	(2,575)	(19,766)	277,100	1,716,991	24,484	13,120	9,477,785	17,216,467	78,883	17,295,350

Notes:

- Included in special reserve is an amount of RMB203,263,000 which represents the portion of registered capital of two PRC subsidiaries contributed by certain beneficial owners of the Company. The remaining amount of RMB73,837,000 represents the difference between the carrying amount of the non-controlling interests acquired and the fair value of considerations paid for acquiring of additional interests in subsidiaries in prior years.
- Capital reserve represents the People's Republic of China (the "PRC") statutory reserve which must be provided for before declaring dividends to the shareholders as approved by the board of directors in accordance with the PRC regulations applicable to the Company's PRC subsidiaries until the fund reaches 50% of the registered capital of respective subsidiaries.
- All treasury stocks were subsequently cancelled in July 2026.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating activities		
Profit before taxation	465,143	2,419,651
Adjustments for:		
Write-down of inventories (reversed) recognised, net	(39,680)	2,824
Impairment losses (reversed) recognised under expected credit loss model, net	(14,132)	16,284
Amortisation of intangible assets	13,417	10,182
Depreciation of property, plant and equipment	381,201	293,014
Depreciation of right-of-use assets	16,108	8,476
Net gain on fair value change of derivative financial instruments	(17,398)	(72,973)
Loss (gain) on disposal of financial assets at fair value through profit or loss ("FVTPL")	7,436	(74,971)
Finance costs	44,948	20,797
Release of government grants	(4,491)	(11,825)
Bank interest income	(85,397)	(65,468)
Share of results of an associate	(264)	(28)
Net gain on disposal of property, plant and equipment	(344)	(7,556)
Net loss on disposal of leasehold land	652	–
Written off of property, plant and equipment	1,325	57,389
Provision for carbon emissions allowances	5,679	9,683
Net unrealised foreign exchange loss	174,836	36,762
Share-based compensation expense	4,429	11,725
Operating cash flows before movements in working capital	953,468	2,653,966
Increase in inventories	(271,466)	(344,261)
(Increase) decrease in trade and bills receivables, other receivables, deposits and prepayments	(317,075)	488,111
Decrease in trade and other payables	(251,129)	(310,722)
Decrease in contract liabilities	(44,479)	(29,048)
Cash generated from operations	69,319	2,458,046
Taxation paid	(34,587)	(460,924)
Net cash from operating activities	34,732	1,997,122

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Investing activities		
Purchase of property, plant and equipment	(336,547)	(1,356,650)
Payment for deposits of acquisition of property, plant and equipment	(106,172)	(323,760)
Proceeds on disposal of property, plant and equipment	19,033	20,726
Proceeds on disposal of leasehold land	18,794	–
Placement of pledged bank deposits	(1,554,767)	(377,557)
Withdrawal of pledged bank deposits	1,523,022	630,098
Placement of financial assets at FVTPL	(24,742,581)	(20,068,140)
Proceeds on disposal of financial assets at FVTPL	24,647,974	20,143,111
Receipts of government subsidy in relation to purchase of property, plant and equipment	19,165	–
Interest received	85,397	65,468
Additions to intangible assets	(30,141)	(46,470)
Additions to leasehold lands	(23,017)	–
Net cash used in investing activities	(479,840)	(1,313,174)
Financing activities		
New borrowings raised	3,877,627	3,023,282
Net settlement of foreign currency forwards contracts	51,872	72,973
Repayment of borrowings	(2,936,151)	(1,050,670)
Interest paid	(56,519)	(41,606)
Payment on repurchase of shares	(19,766)	–
Repayment of leases liabilities	(8,507)	(2,540)
Net cash from financing activities	908,556	2,001,439
Net increase in cash and cash equivalents	463,448	2,685,387
Cash and cash equivalents at beginning of the period	10,606,390	6,329,841
Effect of foreign exchange rate changes	(425)	(765)
Cash and cash equivalents at end of the period	11,069,413	9,014,463

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values.

Other than change in accounting policies resulting from the application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2026 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segment total RMB'000	Elimination RMB'000	Consolidated RMB'000
Types of products/ services						
– 6-APA	440,424	–	–	440,424	–	440,424
– Antibiotics products	–	2,522,499	1,698,794	4,221,293	–	4,221,293
– Insulin products	–	–	892,974	892,974	–	892,974
– Others	263,459	73,006	172,928	509,393	–	509,393
– License fee income	–	–	101,865	101,865	–	101,865
Revenue from contracts with customers	703,883	2,595,505	2,866,561	6,165,949	–	6,165,949
Inter-segment sales	1,272,571	552,898	–	1,825,469	(1,825,469)	–
Segment revenue	<u>1,976,454</u>	<u>3,148,403</u>	<u>2,866,561</u>	<u>7,991,418</u>	<u>(1,825,469)</u>	<u>6,165,949</u>

For the six months ended 30 June 2025 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segment total RMB'000	Elimination RMB'000	Consolidated RMB'000
Types of products/ services						
– 6-APA	746,260	–	–	746,260	–	746,260
– Antibiotics products	–	2,524,576	1,458,600	3,983,176	–	3,983,176
– Insulin products	–	–	933,455	933,455	–	933,455
– Others	264,405	4,971	152,516	421,892	–	421,892
– License fee income	–	–	1,433,900	1,433,900	–	1,433,900
Revenue from contracts with customers	1,010,665	2,529,547	3,978,471	7,518,683	–	7,518,683
Inter-segment sales	1,293,646	469,767	–	1,763,413	(1,763,413)	–
Segment revenue	<u>2,304,311</u>	<u>2,999,314</u>	<u>3,978,471</u>	<u>9,282,096</u>	<u>(1,763,413)</u>	<u>7,518,683</u>

All of the Group's revenue is recognised at a point in time during the six months ended 30 June 2026 and 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(i) Disaggregation of revenue from contracts with customers *(Continued)*

Geographical information

The revenue from the external customers by geographical market (irrespective of the origin of the goods) based on the location of the customers are presented below:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PRC, including Hong Kong (country of domicile)	4,830,311	4,725,243
Europe	402,011	1,741,465
India	182,254	197,687
Middle East	12,809	13,641
South America	373,154	450,590
Other Asian regions	266,483	258,367
Other regions	98,927	131,690
	6,165,949	7,518,683

(ii) Segment information

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") (i.e. executive directors of the Company) for the purpose of allocating resources to segments and assessing their performance.

The Group is currently organised into three revenue streams, including Intermediate products, Bulk medicine and Finished products.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

- 1) Intermediate products – mainly represent sales of 6-APA products and penicillin G potassium products;
- 2) Bulk medicine – mainly represent sales of amoxicillin products; and
- 3) Finished products – mainly represent sales of insulin series products, antibiotics products, nervous system drugs, ophthalmic products, veterinary drugs and license fee income.

The three revenue streams are the operating and reportable segments of the Group on which the Group reports its primary segment information.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) Segment information *(Continued)*

For the six months ended 30 June 2026 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segments total RMB'000	Elimination RMB'000	Consolidated RMB'000
REVENUE						
External sales	703,883	2,595,505	2,764,696	6,064,084	–	6,064,084
Inter-segment sales	1,272,571	552,898	–	1,825,469	(1,825,469)	–
License fee income	–	–	101,865	101,865	–	101,865
Segment revenue	<u>1,976,454</u>	<u>3,148,403</u>	<u>2,866,561</u>	<u>7,991,418</u>	<u>(1,825,469)</u>	<u>6,165,949</u>
Segment profit before research and development expenses	290,060	127,930	690,022			1,108,012
Research and development expenses (included in the measurement of segment profit)	(98,646)	(48,278)	(292,001)			(438,925)
RESULT						
Segment profit	<u>191,414</u>	<u>79,652</u>	<u>398,021</u>			669,087
Share of results of an associate						264
Unallocated other income						87,627
Unallocated corporate expenses						(69,400)
Unallocated other gains and losses, net						(178,305)
Impairment losses of other receivables under expected credit loss model, net of reversal						818
Finance costs						<u>(44,948)</u>
Profit before taxation						<u>465,143</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) Segment information *(Continued)*

For the six months ended 30 June 2025 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segments total RMB'000	Elimination RMB'000	Consolidated RMB'000
REVENUE						
External sales	1,010,665	2,529,547	2,544,571	6,084,783	–	6,084,783
Inter-segment sales	1,293,646	469,767	–	1,763,413	(1,763,413)	–
License fee income	–	–	1,433,900	1,433,900	–	1,433,900
Segment revenue	<u>2,304,311</u>	<u>2,999,314</u>	<u>3,978,471</u>	<u>9,282,096</u>	<u>(1,763,413)</u>	<u>7,518,683</u>
Segment profit before research and development expenses	798,889	275,776	1,815,116			2,889,781
Research and development expenses (included in the measurement of segment profit)	(164,270)	(25,127)	(309,544)			(498,941)
RESULT						
Segment profit	<u>634,619</u>	<u>250,649</u>	<u>1,505,572</u>			2,390,840
Share of results of an associate						28
Unallocated other income						76,026
Unallocated corporate expenses						(123,733)
Unallocated other gains and losses, net						95,036
Impairment losses of other receivables under expected credit loss model, net of reversal						2,251
Finance costs						<u>(20,797)</u>
Profit before taxation						<u>2,419,651</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) Segment information *(Continued)*

Measurement

The accounting policies of the reportable segments are the same as disclosed in the Company's 2025 Annual Report. Performance is measured based on segment results that is used by the CODM for the purposes of resource allocation and assessment of segment performance. Taxation is not allocated to reportable segments.

Other than the segment revenue and segment results analysis presented above, information about assets and liabilities was not regularly provided to the CODM. Hence, no segment asset or segment liability information is presented.

Inter-segment revenue is charged at prevailing market rates.

Reportable segment results represent the profit earned by each segment without allocation of certain other income, share of results of an associate, corporate expenses, other gains and losses (net), impairment losses under expected credit loss model (net of reversal) and finance costs.

4. OTHER INCOME

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Bank interest income	85,397	65,468
Sales of scrap materials	3,020	3,133
Subsidy income <i>(Note)</i>	42,483	54,959
Sundry income	7,598	4,920
	138,498	128,480

Note: Subsidy income includes tax subsidy and government grants from the PRC government which are specifically for (i) the capital expenditure incurred for plant and machinery, which is recognised as income over the useful life of the related assets; (ii) the incentives and other subsidies for research and development activities, which are recognised upon meeting the attached conditions; and (iii) the incentives which have no specific conditions attached to the grants.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange loss	(186,246)	(37,058)
Net gain on fair value change of derivative financial instruments	17,398	72,973
(Loss) gain on disposal of financial assets at fair value through profit or loss	(7,436)	74,971
Net gain on disposal of property, plant and equipment	344	7,556
Loss on disposal of leasehold land	(652)	–
Written off of property, plant and equipment	(1,325)	(57,389)
Others	43	130
	(177,874)	61,183

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on borrowings	55,857	41,229
Interest on lease liabilities	662	377
	56,519	41,606
Less: Amounts capitalised in property, plant and equipment	(11,571)	(20,809)
	44,948	20,797

Borrowing costs capitalised during the current interim period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.56% (six months ended 30 June 2025: 2.55%) per annum to expenditure on qualifying assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7. TAX EXPENSE

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax		
Hong Kong profits tax	334	923
PRC enterprise income tax ("EIT")	105,860	306,813
PRC withholding tax on distributed profits of PRC subsidiaries	35,684	—
Danish withholding tax on licensing fee income	10,187	143,390
	152,065	451,126
Deferred tax (credit) charge	(31,087)	75,018
Tax expense	120,978	526,144

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to income taxes under the Pillar Two Rules.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

PRC EIT is calculated at the applicable rates of tax prevailing in the areas in which the Group operates, based on the existing legislation, interpretations and practices.

Pursuant to the PRC EIT law and its detailed implementation rules promulgated on 16 March 2007 and 6 December 2007, respectively, the tax rate for domestic and foreign enterprises is unified at 25% and is effective from 1 January 2008. Besides, with effect from 1 January 2008, if the subsidiaries are qualified as high-technology companies (under the new PRC EIT law), the subsidiaries are entitled to a reduced rate of 15% and such qualification is subject to renewal for every three years. Certain of group entities in the PRC are entitled to the reduced tax rate of 15% for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7. TAX EXPENSE *(Continued)*

According to a joint circular of Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No.1, dividend distributed out of the profits generated since 1 January 2008 by a PRC entity to a non-PRC tax resident shall be subject to the PRC EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. The withholding tax rate applicable to the Group is 5%. As at 30 June 2026 and 31 December 2025, deferred tax was provided for in full in respect of the temporary differences attributable to such profits.

As at 30 June 2026, the Group has unused tax losses of approximately RMB706,521,000 (31 December 2025: RMB430,987,000) and RMB580,333,000 (31 December 2025: RMB537,077,000) from its PRC and Hong Kong subsidiaries, respectively. No deferred tax asset in respect of tax losses has been recognised because the amount of future taxable profit that will be available to realise such assets is uncertain. The unrecognised tax losses from the PRC subsidiaries will be expired in five years for offsetting against future taxable profits. All remaining unrecognised tax losses may be carried forward indefinitely.

Pursuant to the Danish domestic tax law, the withholding tax on royalty payment in Denmark are subject to withholding tax at the statutory rate of 22% on the gross amount. Under the applicable double tax arrangement, the Group is entitled to a reduced rate of 10% for current period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7. TAX EXPENSE (Continued)

The followings are the deferred tax assets (liabilities) recognised and movements thereon for the current and prior periods:

	Accelerated accounting depreciation RMB'000	Unrealised profit on inventories RMB'000	Withholding tax on undistributed profits of the PRC subsidiaries RMB'000	Total RMB'000
At 1 January 2025 (Audited)	54,970	18,711	(282,492)	(208,811)
Credit (charge) to profit or loss for the period	8,932	(5,391)	(78,559)	(75,018)
At 30 June 2025 (Unaudited)	63,902	13,320	(361,051)	(283,829)
At 1 January 2026 (Audited)	54,945	12,454	(376,079)	(308,680)
Credit to profit or loss for the period	12,142	4,800	14,145	31,087
At 30 June 2026 (Unaudited)	67,087	17,254	(361,934)	(277,593)

The following is the analysis of the deferred tax balances of financial reporting purpose:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Deferred tax assets	84,341	67,399
Deferred tax liabilities	(361,934)	(376,079)
	(277,593)	(308,680)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Staff costs, including directors' emoluments		
Salaries and other benefits	971,995	931,912
Contributions to retirement benefit schemes	189,676	169,008
Share-based compensation expense	4,429	11,725
	<u>1,166,100</u>	<u>1,112,645</u>
Depreciation		
Depreciation of right-of-use assets	16,108	8,476
Depreciation of property, plant and equipment	381,201	293,014
Amortisation of intangible assets (included in cost of sales)	13,417	10,182
Write-down of inventories (reversed) recognised, net (included in cost of sales)	(39,680)	2,824
Cost of inventories recognised as expenses	<u>4,006,785</u>	<u>3,526,447</u>

9. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Earnings		
Earnings for the purposes of basic earnings per share being profit for the period attributable to the owners of the Company	<u>347,644</u>	<u>1,894,314</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

9. EARNINGS PER SHARE *(Continued)*

	Six months ended 30 June	
	2026 '000 (Unaudited)	2025 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,972,631	1,816,934

No diluted earnings per share for the six months ended 30 June 2026 and 2025 were presented as there were no potential ordinary shares in issue for both periods.

10. DIVIDENDS

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period		
– 2025 final dividend RMB26 cents <i>(Note)</i> (2025: 2024 final dividend RMB28 cents) per share	512,987	508,767
– 2024 special dividend RMB12 cents per share	–	218,044
	512,987	726,811

Note: The 2025 final dividend has been subsequently settled in July 2026.

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB16 cents per share).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred approximately RMB429,637,000 (six months ended 30 June 2025: RMB1,639,948,000) on addition of property, plant and equipment to expand and upgrade certain production plants and office buildings primarily in the PRC, during the six months ended 30 June 2026.

During the current interim period, the Group disposed of and written off of certain plant and machinery with an aggregate carrying amount of RMB20,014,000 (six months ended 30 June 2025: RMB70,559,000) for cash proceeds of RMB19,033,000 (six months ended 30 June 2025: RMB20,726,000), resulting in a gain on disposal of RMB344,000 (six months ended 30 June 2025: RMB7,556,000) and written off of RMB1,325,000 (six months ended 30 June 2025: RMB57,389,000).

12. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables from contracts with customers	2,168,462	2,248,570
Less: allowance for credit losses (<i>Note 13</i>)	(7,588)	(31,812)
Banker's acceptance bills receivables	2,348,266	1,982,202
Less: allowance for credit losses (<i>Note 13</i>)	(3,489)	(174)
Consideration receivables	339,574	339,574
Less: allowance for credit losses (<i>Note 13</i>)	(339,574)	(339,574)
Value-added tax receivables	345,871	268,396
Other receivables, deposits and prepayments	327,600	287,707
Less: allowance for credit losses (<i>Note 13</i>)	(19,948)	(13,171)
	5,159,174	4,741,718

The Group normally allows a credit period of ranging from 45 days to 180 days (31 December 2025: from 45 days to 180 days) to its trade customers, and may be extended to selected customers depending on their trade volume and settlement with the Group. The banker's acceptance bills receivables have a general maturity period of between 90 days and 1 year (31 December 2025: between 90 days and 1 year).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

12. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on dates of transferring control of the goods, and an analysis of banker's acceptance bills receivables by age, net of allowance for credit losses, presented based on the bills issuance date, at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables from contracts with customers		
0 to 30 days	1,047,485	1,018,465
31 to 60 days	419,144	414,069
61 to 90 days	356,495	333,415
91 to 120 days	232,921	191,235
121 to 180 days	98,654	128,585
Over 180 days	6,175	130,989
	<u>2,160,874</u>	<u>2,216,758</u>
Banker's acceptance bills receivables		
0 to 30 days	422,191	362,012
31 to 60 days	382,445	305,817
61 to 90 days	472,730	418,932
91 to 120 days	433,472	381,778
121 to 180 days	613,968	497,646
Over 180 days	19,971	15,843
	<u>2,344,777</u>	<u>1,982,028</u>

At 30 June 2026, out of the total bills receivables of RMB2,348,266,000 (31 December 2025: RMB1,982,202,000), bills of RMB29,190,000 (31 December 2025: RMB25,532,000) and RMB1,809,957,000 (31 December 2025: RMB1,629,114,000) were further discounted to banks and endorsed to suppliers respectively with full recourse. The Group continues to recognise their full carrying amount at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

12. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

As at 30 June 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB709,865,000 (31 December 2025: RMB399,530,000) which are past due as at the reporting date. Out of the past due balances, RMB116,736,000 (31 December 2025: RMB58,006,000) has been past due 90 days or more. The directors of the Company are in the view that there have been no significant increase in credit risk nor default based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group does not hold any collateral over these balances.

13. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

The followings are the impairment losses recognised and movements thereon for the current and prior periods:

	Trade receivables RMB'000	Other receivables RMB'000	Banker's acceptance bills receivables RMB'000	Consideration receivables RMB'000	Total RMB'000
At 1 January 2025 (Audited)	13,166	11,551	212	339,574	364,503
Impairment losses recognised (reversed), net	17,455	(1,015)	(156)	–	16,284
At 30 June 2025 (Unaudited)	30,621	10,536	56	339,574	380,787
At 1 January 2026 (Audited)	31,812	13,171	174	339,574	384,731
Impairment losses (reversed) recognised, net	(24,224)	6,777	3,315	–	(14,132)
At 30 June 2026 (Unaudited)	7,588	19,948	3,489	339,574	370,599

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

14. TRADE AND OTHER PAYABLES

The Group normally receives credit terms of up to 120 days and 180 days for trade payables and trade payables under supplier finance arrangement, respectively, from its suppliers. The following is an analysis of the trade payables and trade payables under supplier finance arrangement by age, presented based on the invoice date or bills issuance date at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables		
0 to 90 days	1,209,672	1,234,969
91 to 180 days	726,523	355,830
Over 180 days	114,740	20,415
	2,050,935	1,611,214
Trade payables under supplier finance arrangement (<i>Note</i>)		
0 to 90 days	1,476,905	986,000
91 to 180 days	912,382	1,242,006
Over 180 days	–	484
	2,389,287	2,228,490
Other payables and accruals	558,393	693,970
Other tax payable	187,511	204,743
Accrual of freight expense	64,392	60,222
Accrual of salary, staff welfare and unclaimed annual leave	262,779	312,627
Accrual of water, electricity fee and steam	455,011	558,132
Deferred income in respect of government grants	105,011	90,338
Payables in respect of the acquisition of property, plant and equipment	1,852,315	2,220,849
	7,925,634	7,980,585
Less: Amount due within one year shown under current liabilities	(7,830,128)	(7,890,941)
Amount shown under non-current liabilities	95,506	89,644

Note: These relate to trade payables in which the Group has issued banker's acceptance bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

15. BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Bank loans	5,895,233	4,953,757
Discounted bills with recourse (Note 12)	29,190	25,532
	5,924,423	4,979,289
Analysed as:		
Secured	5,174,423	4,479,289
Unsecured	750,000	500,000
	5,924,423	4,979,289
The carrying amount of the above bank loans are repayable:		
The carrying amount of the bank loans are repayable:		
– Within one year	401,633	1,580,926
– Within a period of more than one year, but not exceeding two years	1,143,154	954,816
– Within a period of more than two years but not more than five years	3,346,646	1,551,655
– Within a period of more than five years	253,800	366,360
	5,145,233	4,453,757
The carrying amount of bank loan that contains a repayment on demand clause (shown under current liabilities) but repayable*:		
– Within one year	450,000	–
– Over one year	300,000	500,000
	5,895,233	4,953,757
The carrying amount of the non-bank loans are repayable:		
– Within one year	29,190	25,532
	5,924,423	4,979,289
Less: Amount due within one year shown under current liabilities	(1,180,823)	(2,106,458)
Amount shown under non-current liabilities	4,743,600	2,872,831

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

15. BORROWINGS (Continued)

During the current interim period, the Group obtained borrowings amounting to RMB3,877,627,000 (six months ended 30 June 2025: RMB3,023,282,000), the Group repaid borrowings of RMB2,936,151,000 (six months ended 30 June 2025: RMB1,050,670,000) and derecognised discounted bills with recourse of RMB25,532,000 (six months ended 30 June 2025: RMB16,884,000).

The range of effective interest rates of the floating rate borrowings at 30 June 2026 is 1.90% to 2.70% (31 December 2025: 2.05% to 2.70%) per annum. The range of effective interest rates of the fixed rate borrowings at 30 June 2026 is 0.90% to 1.40% (31 December 2025: 0.90% to 1.40%) per annum.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Foreign currency forward contracts – shown under:		
– current assets	408	–
– current liabilities	(14,136)	–
– Non-current liabilities	(22,066)	–
	(35,794)	–
Foreign exchange option – shown under:		
– current assets	1,320	–
	(34,474)	–

Foreign currency forward contracts

Major terms of the foreign currency forward contracts are as follow:

Notional/settlement approximate amount	Maturity	Exchange rate
Buy United States dollar ("USD") 5,000,000/10,000,000	24 January 2028	USD1: RMB6.758
Buy USD5,000,000/10,000,000	09 February 2028	USD1: RMB6.712
Buy USD5,000,000	29 May 2028	USD1: RMB6.660
Buy USD9,000,000/18,000,000	18 March 2027	USD1: RMB6.694

The forward contracts represent the multiple currency forward transactions to be settled on multiple settlement dates on a monthly basis, until the final maturity date, or the date of reaching the exchange rate capped in the respective forward contracts. Subject to the terms stipulated in the respective agreements, the settlement amount may be determined by reference to either the notional amount or a leveraged amount equal to twice the notional amount.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

16. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Foreign exchange option

Major terms of the foreign exchange option – RMB call/USD put option are as follow:

Notional approximate amount	Maturity	Exchange rate
Sell USD10,000,000	27 July 2026	USD1: RMB6.758
Sell USD10,000,000	27 August 2026	USD1: RMB6.758
Sell USD10,000,000	28 September 2026	USD1: RMB6.758
Sell USD10,000,000	27 October 2026	USD1: RMB6.758

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each:		
Authorised:		
At 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	<u>3,800,000,000</u>	<u>38,000</u>
Issued and fully paid:		
At 1 January 2025, 30 June 2025	1,817,026,508	18,170
Issue of new shares	<u>156,000,000</u>	<u>1,560</u>
At 31 December 2025, 30 June 2026	<u>1,973,026,508</u>	<u>19,730</u>
		RMB'000

Shown in the consolidated financial statements as:

At 31 December 2025 and 30 June 2026

18,396

During the current interim period, the Group has repurchased 2,750,000 shares for cancellation and total amount paid to repurchase the shares of RMB19,766,000 was deducted from equity. All shares are subsequently cancelled in July 2026.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

17. SHARE CAPITAL (Continued)

Month of repurchase	Number of ordinary shares repurchased	Price per share		Aggregate consideration paid RMB'000
		Lowest HK\$	Highest HK\$	
June 2026	2,750,000	7.98	8.40	19,766

18. CAPITAL COMMITMENTS

As at 30 June 2026, the Group had commitments for capital expenditure of RMB1,044,131,000 (31 December 2025: RMB1,319,378,000) in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements.

19. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The Group had pledged the following assets to banks as securities against banking facilities granted to the Group at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment, at net book value	2,265,551	1,582,221
Right-of-use assets, at net book value	168,188	160,113
Banker's acceptance bills receivables	94,975	145,190

Restrictions on assets

In addition, lease liabilities of RMB23,892,000 (31 December 2025: RMB12,422,000) are recognised with related right-of-use assets of RMB25,101,000 (31 December 2025: RMB11,682,000) as at 30 June 2026. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

20. RELATED PARTY TRANSACTIONS

- (a) The Group's key management personnel are all directors of the Company, including chief executives, and the remuneration to the directors of the Company during the period is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fees	334	357
Salaries and other benefits	9,925	9,723
Contributions to retirement benefits schemes	23	25
	10,282	10,105

- (b) During the current interim period, the Group entered into the following transactions with a related party:

			Six months ended 30 June	
Name of related party	Nature of transaction/balance	Relationship	2026	2025
			RMB'000	RMB'000
			(Unaudited)	(Unaudited)
寧波普邦生物科技有限公司	Sale of goods	Associate	55,876	1,541
	Trade advance	Associate	–	3,612
	Trade and bills receivables	Associate	75,292	84
	Other receivables	Associate	–	6

21. MAJOR NON-CASH TRANSACTION

During the current interim period, short term borrowings drawn on discounted bills with recourse and bills receivables endorsed to suppliers with full recourse of RMB25,532,000 (six months ended 30 June 2025: RMB16,884,000) and RMB1,629,114,000 (six months ended 30 June 2025: RMB1,111,399,000), respectively, have been derecognised when the related receivables were matured. Discounted bills with recourse amount of RMB29,190,000 (six months ended 30 June 2025: RMB22,280,000) and bills receivables endorsed to suppliers with full recourse amount of RMB1,809,957,000 (six months ended 30 June 2025: RMB952,467,000) have been recognised for which the maturity dates of the related receivables have not yet fallen due at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

22. SHARE-BASED PAYMENTS

The Company's share award scheme (the "Share Award Scheme") was adopted by the shareholders of the Company at the extraordinary general meeting held on 26 October 2023 ("Date of Adoption") for the primary purpose of rewarding the directors and employees ("Selected Participants") of the Group for their hard work, contribution and loyalty and align their interest with those of shareholders of the Company.

An award granted by the board of directors ("the Board") of the Company to the Selected Participants is a right of the relevant participant to receive the shares of the Company. Each award may be subject to such other conditions as may be imposed by the Board at its absolute discretion. The total number of shares in respect of which shares may be granted under the Share Award Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time. The number of shares award which may be granted to any individual but unvested under the Share Award Scheme shall not exceed 1% of the total number of shares of the Company in issue at any point in time.

Subject to any early termination as may be determined by the Board pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Date of Adoption, after which period no further awards will be granted but the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any awards granted prior to the expiration of the Share Award Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Award Scheme.

During the year ended 31 December 2023, the Group granted award shares to the Group's directors and employees under the Share Award Scheme. The award shares granted would vest on specific dates, or in equal tranches from the grant date over 12 to 36 months, on condition that the directors and employees remains in service without any performance requirements. Once the vesting conditions underlying the respective award shares are met, the award shares are considered duly and validly issued to the holder, and free of restrictions on transfer. There is no purchase price or consideration to be paid by the grantees. The closing prices of the shares of the Company immediately before the date of the grant and on the date of the grant of the awarded shares were HK\$7.77 and HK\$7.45 per share, respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

22. SHARE-BASED PAYMENTS *(Continued)*

During the current interim period, there are 759,565 award shares lapsed and cancelled (six months ended 30 June 2025: Nil). There is no award shares granted and vested during the periods ended 30 June 2026 and 2025.

The fair value of award shares is determined based on the closing price of the Group's publicly traded ordinary shares on the date of grant.

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the award shares (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses charged to profit or loss.

As at 30 June 2026, the Expected Retention Rate for the Group's directors and employees was assessed to be 100% (30 June 2025: 100%). The total expenses recognised in the condensed consolidated statement of profit or loss and other comprehensive income for share-based awards granted to the Group's directors and employees are RMB661,000 and RMB3,768,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB1,750,000 and RMB9,975,000).

As at 30 June 2026, 169,605,750 (30 June 2025: 169,605,750) award shares are available for future grant under the aforementioned scheme mandate limit.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

In estimating the fair value, the Group uses market-observable data to the extent it is available. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial asset and financial liabilities that are measured at fair value on a recurring basis

	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)		
Foreign currency forward contracts	Asset – 408 Liabilities – 36,202	–	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Foreign exchange Option	Asset – 1,320	–	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.

There is no transfers between Level 2 at the end of the reporting period.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Management Discussion and Analysis

In the first half of 2026, China's national economy withstood pressure and maintained an overall steady development momentum. The pharmaceutical industry has accelerated its pace of innovative transformation and global expansion. Meanwhile, policies such as medical insurance cost control and centralised procurement have entered a phase of normalised operation, and enterprises have established mature response models in pricing systems and cost management. Recently, the "National Health 15th Five-Year Plan" explicitly proposed, for the first time, full-chain support for the development of innovative drugs. With the continued release of policy dividends, the industry has entered a critical period of transformation and upgrading.

Against this backdrop, the Group continued to advance its innovative R&D and global expansion strategies. At the same time, the Group further tapped the market potential of its traditional core business to drive quality improvement and efficiency enhancement. All business segments developed in a coordinated manner, further consolidating the Group's industry-leading position.

Innovative Research and Development

The Group regards innovative R&D as the core engine driving enterprise development, continuously increasing R&D investment and attracting scientific talents. Through diversified collaboration models such as independent R&D and cooperative development, it expanded its innovative product pipeline, enhanced new drug R&D and clinical capabilities, and accelerated the development and practical application of innovative technologies and products.

During the Period, the Group invested a total of RMB469,100,000 in pharmaceutical research and development, with a year-on-year decrease in R&D of 14.8%, including expensed R&D investment of RMB438,900,000 and capitalisation of R&D investment of RMB30,200,000.

The Group has established a comprehensive research and development system composed of multiple platforms, including biological research and development, chemical drug research and development, biological fermentation and chemical, enzymatic synthesis research and development, animal healthcare research and development and clinical research center. At present, the Group had 40 new drug products under development, of which 23 products are Class 1 new drugs, focusing on the areas of endocrinology, metabolism, autoimmunity, ophthalmology and anti-infection. There are a total of 67 new animal healthcare products under development, fully covering economic and companion animals. Furthermore, APIs, the quality and efficacy consistency evaluation of generic drugs, and the research and development of projects related to medical aesthetics are progressing steadily.

Management Discussion and Analysis

Progress in Research and Development

During the Period, the Group made the following major progress in R&D:

- In January, the investigational new drug (IND) application for **TUL108 for Injection, a Class 1 new drug**, was approved by the U.S. Food and Drug Administration (FDA).
- In February, the application for the clinical trial of **UBT251 Injection, a Class 1 new drug**, for the indication of moderate to severe obstructive sleep apnea (OSA) with obesity-related comorbidity, received implied approval from China's National Medical Products Administration (the "NMPA").
- In February, the Phase II clinical study of **UBT251 Injection, a Class 1 new drug**, was completed in Chinese patients with overweight/obesity, achieving its predefined goals.
- In February, **Roxithromycin Capsules** (specification: 150mg) passed the quality and efficacy consistency evaluation of generic drugs.
- In March, the Phase II clinical study of **UBT251 Injection, a Class 1 new drug**, was completed in Chinese patients with Type 2 diabetes, achieving its predefined goals.
- In March, the NDA of **Insulin Degludec Injection** (specifications: 3ml: 300U (refilled pen-type); 3ml: 300U (disposable pen-type)) was approved by the NMPA.
- In April, the clinical trial of **Dupilumab Injection** received implied approval from the NMPA.

- In April, the IND application for the clinical trial of **TUL321 Capsules, a Class 1 new drug**, was approved by the FDA.
- In May, the clinical trial of **UBT38006 Injection, a Class 1 new drug**, received implied approval from the NMPA.
- In May, the IND application for the clinical trial of **TUL108 for Injection, a Class 1 new drug**, received implied approval from the NMPA.
- In June, the IND application for the clinical trial of **TUL321 Capsules, a Class 1 new drug**, received implied approval from the NMPA.

During the Period, the results of the Phase II clinical study of UBT251 Injection were presented at the 86th Scientific Sessions of the American Diabetes Association (ADA). With the outstanding research data, such results were successfully selected as the Late-Breaking Abstracts at such session, and were officially selected by ADA for inclusion in the Press Briefing and Poster presentation.

During the Period, the Group recorded licensing fee income of US\$15,000,000 (approximately RMB101,900,000), being a milestone payment from Novo Nordisk S/A for a global Phase II clinical trial of UBT251 Injection of overweight or obesity indication, in relation to the previous licensing of the global (excluding Mainland China, Hong Kong SAR, Macau SAR, and Taiwan) development, manufacturing, and commercialisation of UBT251 (GLP-1R/GIPR/GCGR triple agonist). This milestone payment represents the steady progress of UBT251's global clinical development and further validates its clinical value and commercial potential. The licensing fee was received in July 2026.

Management Discussion and Analysis

Under the license agreement with Novo Nordisk S/A and subject to the terms and conditions thereof, The United Bio-Technology (Hengqin) Co., Ltd. (a wholly-owned subsidiary of the Group) is eligible to receive potential milestone payments of up to US\$1.8 billion subject to the achievement of certain development and sales milestones, plus tiered royalties based on annual net sales in the territory.

Class 1 new drugs under development

Project	Category	Indication	Phase
UBT251 Injection	Chemical drug	Overweight/Obesity	Phase III clinical trial
UBT251 Injection	Chemical drug	Diabetes	Phase III clinical trial
UBT251 Injection	Chemical drug	MASH	Phase II clinical trial
UBT251 Injection	Chemical drug	Chronic kidney disease	Phase II clinical trial
UBT251 Injection	Chemical drug	OSA	Phase III clinical trial
UBT37034 for Injection	Chemical drug	Overweight/Obesity	IND approved (United States)
			Phase I clinical trial (PRC)
UBT38006 Injection	Biological drug	Diabetes	Phase I clinical trial
UBT48128 Tablets	Chemical drug	Diabetes/Weight management	IND approved (United States)
			Pre-clinical trial (PRC)
UBT43026 Oral Preparation	Chemical drug	Hyperlipoproteinemia, atherosclerosis, aortic valve stenosis, etc.	Pre-clinical trial
UBT42	Biological drug	Vitiligo, alopecia areata, other autoimmune diseases	Pre-clinical trial
UBT49003 for Injection	Biological drug	Acute Lung Injury/Acute Respiratory Distress Syndrome (ALI/ARDS), etc.	Pre-clinical trial
UBT506 for Injection	Biological drug	Moderate to severe Eczema, Asthma	Pre-clinical trial
TUL01101 Tablets	Chemical drug	Rheumatoid arthritis	Phase II clinical trial
TUL01101 Tablets	Chemical drug	Moderate to severe atopic dermatitis	Phase III clinical trial
TUL01101 Ointment	Chemical drug	Atopic dermatitis	Phase III clinical trial
TUL321 Capsules	Chemical drug	Paroxysmal nocturnal hemoglobinuria	IND approved (United States)
			Phase I clinical trial (PRC)
TUL12101 Eye Drops	Chemical drug	Xerophthalmia	Phase II clinical trial
TUL108 for Injection	Chemical drug	Drug-resistant bacterial infection	IND approved (United States)
			Phase I clinical trial (PRC)
LB2332	Chemical drug	Fungal infection	Pre-clinical trial
LB2249	Chemical drug	Fat loss and muscle gain	Pre-clinical trial
LB2237	Chemical drug	Hyperlipidemia	Pre-clinical trial
LB2343	Chemical drug	Drug-resistant bacterial infection	Pre-clinical trial

Management Discussion and Analysis

BUSINESS REVIEW

Intermediate Products and Bulk Medicine Business

During the Period, the prices of major upstream products gradually stabilised and recovered, but remained lower than the same period last year. The intermediate products and bulk medicine segments recorded external sales of RMB703,900,000 and RMB2,595,500,000, respectively, representing a year-on-year decrease of 30.4% and increase of 2.6%, respectively. Overseas export recorded sales of RMB1,026,100,000, representing a year-on-year decrease of 5.1%, and accounting for 16.6% of the Group's total revenue.

Currently, the bulk medicine industry remains in a phase of structural recovery. Relying on mature large-scale production capabilities, the Group has accelerated its innovative R&D, continuously optimised and refined its product mix, and consistently reinforced its core advantages within the industrial chain. In addition, the Group has continued to advance its international development strategy, expanded its global business footprint, deepened cooperation and exchanges with domestic and overseas customers, and further enhanced brand influence and market competitiveness, providing strong support for the steady development of the intermediate products and bulk medicine segments.

Finished Products Business

During the Period, the external sales of finished products was RMB2,866,600,000 (including license fee income of RMB101,900,000), representing a year-on-year decrease of 27.9% and accounting for 46.5% of the Group's total revenue.

During the Period, in the national follow-up centralised procurement for drugs with expiring agreements (LC-YPJX-2026-1), the Group had a total of 13 products successfully selected, including Piperacillin Sodium and Tazobactam Sodium for Injection, Cefuroxime for Injection, Meropenem for Injection and multiple eye drops. This follow-up procurement covered more than 300 commonly used drugs spanning the 1st to 8th batches of national centralised procurement, across multiple therapeutic areas such as anti-infection, anti-tumour, nervous system, respiratory system and digestive system. The selection results were implemented in March 2026. The Group is expected to further increase its market share of the relevant selected products and consolidate its market advantages.

In addition, following the implementation of the "Measures for the Administration of Medical Representatives" during the year, multi-department coordination, stringent market access and full-chain closed-loop supervision will accelerate the in-depth restructuring of the pharmaceutical industry towards a "professional academic-driven" model. While accelerating innovative transformation, the Group continuously strengthens its compliance system and academic capability building, and is committed to upgrading its marketing team towards greater professionalism and academic focus.

Endocrine/Metabolism

The main products include 優思靈®USLIN® (Human Insulin Injection (N/R/30R/50R)), 聯邦優樂靈®USLEN® (Insulin Glargine Injection), 聯邦優倍靈®UBLIN® (Insulin Aspart/Insulin Aspart 30 Injection), 聯邦優得靈®(Insulin Degludec Injection), 聯邦優利泰® (Liraglutide Injection), and 聯邦®減特尼® (Glipizide Tablets), etc.

Management Discussion and Analysis

During the Period, the Group's first GLP-1 product, 聯邦優利泰® (Liraglutide Injection), continued to expand its market coverage. In addition, the Group's ultra-long-acting basal insulin analogue, 聯邦優得靈® (Insulin Degludec Injection), was approved for marketing, further enriching the product matrix in the endocrine/metabolism field.

During the Period, endocrine and metabolism products recorded total sales of RMB938,500,000, representing a year-on-year decrease of 2.9%.

Anti-infection

The main products include 聯邦他唑仙® (Piperacillin Sodium and Tazobactam Sodium for Injection), 聯邦阿莫仙® (Amoxicillin Capsules/Granules), 強力阿莫仙® (Potassium Amoxicillin Clavulanate for Injection, Potassium Amoxicillin Clavulanate Tablets/Dry Suspensions), and 聯邦倍能安® (Imipenem Cestastatin Sodium for Injection), among others.

During the Period, the anti-infection products (for human use) recorded total sales of RMB875,700,000, representing a year-on-year decrease of 2.0%.

Other Human-use Finished Products

The main products include ophthalmic drugs, topical dermatological drugs, etc.

During the Period, other human-use finished products recorded total sales of RMB109,700,000, representing a year-on-year increase of 0.9%.

Big Health

The main products include the United Health & Beauty series of healthcare products, United Biophin series of skincare products, etc.

The Big Health Division of the Group has deployed five major product lines: general dietary supplements, healthcare food products, cross-border nutritional supplements, medical devices, and medical and aesthetic skincare products, covering categories such as bone and joint nutrition, intestinal regulation, cardiovascular health, vision protection and immunity enhancement. At present, we have built a matrix of e-commerce, live broadcasting and new retail online sales platforms represented by Tmall, JD.com, TikTok and WeChat Mall, and deepened our coverage of pharmacy chains and health vertical pipelines.

During the Period, the big health segment recorded sales of RMB17,700,000, representing a year-on-year increase of 58.0%.

Animal Healthcare

The Group's animal healthcare business focuses on the research and development, production, sales and technical services of economic and companion animal drugs, with products covering a full range of livestock, poultry, aquatic products and pets. During the Period, we obtained 3 new veterinary drug registration certificates.

Management Discussion and Analysis

In the first half of the year, under the concentrated challenges of strengthened policy supervision and pressure from the breeding cycle, the veterinary drug industry maintained an overall development momentum of steady growth in total volume and accelerated structural optimisation. The Group continues to advance the development strategy of “One Core Business, Four New Growth Drivers” and, leveraging its industrial advantages, is building global capabilities spanning R&D, production and sales. The Group is strengthening the foundation of the livestock and poultry business and accelerating the development of four new businesses: pet products, aquatic products, raw materials, and overseas expansion, actively seizing market opportunities and industry development windows. At present, the Group has a total of 88 overseas registrations that have been obtained or are currently in progress.

During the Period, the animal healthcare segment recorded sales of RMB823,100,000, representing a year-on-year increase of 45.8%.

FINANCIAL REVIEW

Financial Results

For the six months ended 30 June 2026, the Group recorded revenue of RMB6,165.9 million, a decrease of 18.0% as compared with the same period last year. Gross profit amounted to RMB2,119.5 million, a decrease of 46.0% as compared with the same period last year. EBITDA was RMB920.8 million, representing a year-on-year decrease of 66.5%. Profit attributable to owners of the Company was RMB347.6 million, representing a year-on-year decrease of 81.6%. Earnings per share were RMB17.62 cents.

During the Period, segmental revenue (including inter-segment sales) of intermediate products, bulk medicine and finished products was RMB1,976.5 million, RMB3,148.4 million and RMB2,866.6 million respectively, representing a decrease of 14.2%, an increase of 5.0% and a decrease of 27.9% respectively as compared with the same period in the previous year. Segmental profit of intermediate products, bulk medicine and finished products amounted to RMB191.4 million, RMB79.7 million and RMB398.0 million respectively, representing a decrease of 69.8%, 68.2% and 73.6% respectively as compared to last corresponding period.

Optimising Financial Structure

In terms of finance, the Group continuously optimised its financial structure to improve liquidity by adjusting the mix of onshore and offshore borrowings, balancing long-term and short-term borrowings to reduce the finance expenses and enhance financial flexibility and efficiency in the utilisation of funds and maintain robust financial position. The Group has used Renminbi as the main borrowing currency to reduce the risk of exchange rate fluctuation and finance costs. During the Period, the finance costs of the Group were RMB44.9 million, representing a year-on-year increase of 116.1% mainly due to the increase in project financing borrowings.

As at 30 June 2026, the Group's net bank balances and cash (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB3,416.0 million.

Management Discussion and Analysis

Liquidity and Financial Resources

As at 30 June 2026, the Group had pledged bank deposits, bank balances and cash amounted to RMB11,729.7 million (31 December 2025: RMB11,234.9 million).

As at 30 June 2026, the Group had interest-bearing borrowings of RMB5,924.4 million (31 December 2025: RMB4,979.3 million), all denominated in Renminbi and of which RMB1,180.8 million with maturity within one year. Borrowings of RMB779.2 million are fixed rates loans while the remaining balance of RMB5,145.2 million are at floating rates. The directors expect that all such borrowings will either be repaid by internally generated funds or rolled over upon maturity and will continue to provide funding to the Group's operations.

As at 30 June 2026, current assets of the Group amounted to RMB19,587.3 million (31 December 2025: RMB18,469.5 million). Net current assets increased from RMB8,390.4 million as at 31 December 2025 to RMB10,012.9 million as at 30 June 2026. The Group's current ratio was 2.05 as at 30 June 2026 as compared with 1.83 as at 31 December 2025. As at 30 June 2026, the Group had total assets of RMB32,112.7 million (31 December 2025: RMB30,900.5 million) and total liabilities of RMB14,817.4 million (31 December 2025: RMB13,425.2 million). At 30 June 2026, equity attributable to shareholders of the Company amounted to RMB17,216.5 million (31 December 2025: RMB17,393.0 million). As at 30 June 2026, the Group's net cash and bank balances (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB3,416.0 million (31 December 2025: RMB4,027.1 million).

Contingent Liabilities

As at 30 June 2026 and 31 December 2025, the Group had no material contingent liabilities.

Currency Exchange Exposures

The Group's purchases and sales are mainly denominated in Renminbi, United States dollars and Hong Kong dollars. The operating expenses of the Group are mainly denominated in Renminbi and Hong Kong dollars. The Group's borrowings are denominated in Renminbi. The Group's treasury policy is in place to monitor and manage its exposure to fluctuation in exchange rates. Besides, the Group will conduct periodic review of its exposure to foreign exchange risk and may use financial instrument for hedging purpose when considered appropriate.

Employees and Remuneration Policies

As at 30 June 2026, the Group had approximately 18,000 (31 December 2025: 18,000) employees in Hong Kong and Mainland China. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

The Company has adopted a share award scheme in October 2023 and granted a total of 12,096,900 award shares to selected directors and employees in November 2023, vesting in three years, to encourage and retain such individuals for the continual operation and development of the Group. As at 30 June 2026, the scheme has completed two vests of the awarded shares.

Management Discussion and Analysis

Environmental, Social and Governance

Upholding the corporate tenet of “Making Life More Valuable”, the Group integrates the concept of sustainable development into its business operations and decision-making. The Group actively fulfills its social responsibilities by continuously investing in various fields such as education, disaster relief, and community care to contribute to the society. Simultaneously, we respond wholeheartedly the national policy of green and sustainable development, promoting industrial upgrading and the green and low-carbon transformation.

During the reporting period, the Group’s MSCI ESG rating has been upgraded to “AA”, and the Group also received numerous honors such as the “Excellent ESG Award” at the 9th China Excellence IR Awards and the “ESG Responsible Enterprise Award” at CPHI.

Use of Proceeds from Placing of Shares

On 25 July 2025, the Company completed the placing of an aggregate of 156,000,000 new shares to not less than six placees at the placing price of HK\$14.16 per share. The gross proceeds and the net proceeds (after deduction of the relevant expenses and fees) from the placing amounted to HK\$2,209.0 million and HK\$2,168.2 million (equivalent to RMB1,989.9 million), respectively. The Company intends to allocate the net proceeds from the placing as follows:

- (a) approximately 60%, or HK\$1,300.9 million, will be used for capital expenditure related to the construction and expansion of the Company’s manufacturing facilities, including the Inner Mongolia plant and the Zhuhai plants, strengthen external collaboration, expand the Company’s international business, as well as other general corporate purposes; and

- (b) approximately 40%, or HK\$867.3 million, will be used for research and development of innovative product candidates, including the clinical trial of UBT251, and other pipelines under development.

As at 30 June 2026, proceeds from the placing have been used as:

- approximately RMB890.7 million for capital expenditure related to the construction and expansion of the manufacturing facilities, strengthen external collaboration, expand the international business, as well as other general corporate purposes; and
- approximately RMB678.7 million for research and development of innovative product candidates and other pipelines under development.

The remaining proceeds from the placing are expected to be fully utilised on or before 31 December 2028. Such expected time frame is based on the Board’s best assessment, and is subject to adjustment depending on the Company’s future development, market conditions and prevailing business circumstances.

Litigations

During the six months ended 30 June 2026, the Group has no material litigations.

Management Discussion and Analysis

FUTURE PROSPECTS

The year 2026 marks the beginning of China's "15th Five-Year Plan". As full-chain support policies for innovative drugs are gradually implemented, the pace of innovation and upgrading in the pharmaceutical industry will continue to accelerate, and systems related to review and approval, market access and payment are expected to be further improved. Meanwhile, the internationalisation of domestically developed innovative drugs is gaining momentum, and enterprises with global competitiveness will embrace new growth opportunities in overseas markets.

With its solid industrial foundation and forward-looking layout, the Group is confident in seizing opportunities and addressing challenges. Upholding the innovation-driven development strategy, the Group will accelerate the R&D and clinical development of key innovative products, deepen vertical integration along the industrial chain to fully leverage its integration advantages, and advance its internationalisation strategy by improving its R&D, production and commercialisation systems to internationally competitive standards and promoting global R&D cooperation and overseas market expansion. We will unwaveringly pursue the path of high-quality and sustainable development, striving to create greater value for our shareholders, patients and society.

Other Information

DIRECTORS' INTERESTS IN COMPETING BUSINESS AND CONTRACTS

None of the directors have any interests in a business which competes with the business of the Group. Furthermore, no contracts of significance in relation to the Group's business in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the directors and chief executive of the Company had the following interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"):

Long position in the shares and underlying shares of the Company:

Name of directors	Number of shares held	Number of underlying shares held (Note)	Total	Capacity	Percentage of interest
Mr. Tsoi Hoi Shan	16,690,275	191,700	16,881,975	Personal interest	0.86%
Mr. Leung Wing Hon	289,400	133,700	423,100	Personal interest	0.02%
Ms. Choy Siu Chit	297,075	89,600	386,675	Personal interest	0.02%
Ms. Zou Xian Hong	124,600	62,300	186,900	Personal interest	0.02%

Note: The interests represent the unvested award shares granted on 13 November 2023 pursuant to the 2023 Share Award Scheme.

Save as disclosed above, none of the directors, chief executive and their associates had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2026.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

During the Period, the Company did not grant any rights to any directors, chief executive and their respective spouse or children under 18 of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, and none of the above persons have exercised the said rights during the Period. The Company, its holding company or any of its subsidiaries were not a party to any arrangements to enable the directors to acquire such benefits in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, the following shareholders, other than the directors or chief executive of the Company, were recorded in the register required to be kept by the Company under section 336 of the SFO as being interested (including short positions) in the shares or underlying shares of the Company:

Long and short positions in the ordinary shares of the Company:

Name	Notes	Number of shares held	Percentage of Interest
Heren Far East Limited ("Heren")		834,250,000(L)	42.28%
Heren Far East #4 Limited	(1)	834,250,000(L)	42.28%
IQ EQ Services (HK) Limited	(2)	834,250,000(L)	42.28%

L/S: Long position/short position

Notes:

- (1) Heren Far East #4 Limited is interested in more than one-third of the issued share capital of Heren, and is deemed or taken to be interested in the 834,250,000 shares of the Company beneficially owned by Heren for the purposes of Part XV of the SFO.
- (2) IQ EQ Services (HK) Limited is the trustee of the respective trusts holding entire interest in each of Heren Far East #2 Limited, Heren Far East #3 Limited and Heren Far East #4 Limited (which together hold the entire issued share capital of Heren), and is deemed to be interested in the 834,250,000 shares of the Company beneficially owned by Heren for the purposes of Part XV of the SFO.

Save as disclosed above, no other person being recorded in the register required to be kept by the Company under section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 30 June 2026.

SHARE AWARD SCHEME

The Company adopted a share award scheme on 26 October 2023 (the "Share Award Scheme"). The Share Award Scheme is to reward the directors and employees of the Group for their hard work, contribution and loyalty and align their interest with those of the shareholders of the Company. The number of shares to be funded by issue of new shares of the Company and/or purchased of existing shares on-market which may be awarded under the Share Award Scheme shall not exceed 10% of the issued shares of the Company as at 26 October 2023 (i.e. 181,702,650 shares). The principal terms of the Share Award Scheme are set out in the Company's circular dated 15 September 2023.

On 13 November 2023, the directors of the Company resolved to grant a total of 12,096,900 shares (the "Awarded Shares") to selected participants in accordance with the terms of the Share Award Scheme. All of the 12,096,900 Awarded Shares are granted by way of acquisition of the existing shares of the Company through on-market transactions by the trustee of the Share Award Scheme. The grant of 12,096,900 Awarded Shares will not result in any issue of new shares of the Company. Details of the grant of the Awarded Shares are disclosed in the Company's announcement dated 13 November 2023.

As at 30 June 2026, 169,605,750 shares of the Company are available for future grant under the Share Award Scheme.

Other Information

During the six months ended 30 June 2026, the movements of unvested Awarded Shares granted under the Share Award Scheme are as follows:

			Number of unvested Awarded Shares					
Grantee names/ categories	Date of grant	Vesting period	As at 1 January 2026	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2026
Directors of the Company:								
Tsoi Hoi Shan	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	191,700	–	–	–	–	191,700
Leung Wing Hon	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	133,700	–	–	–	–	133,700
Choy Siu Chit	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	89,600	–	–	–	–	89,600
Zou Xian Hong	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	62,300	–	–	–	–	62,300
Fang Yu Ping*	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	62,300	–	–	–	–	62,300
Zhu Su Yan**	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	62,300	–	–	(37,311)	–	24,989
Other employees of the Group:	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	3,430,400	–	–	(657,454)	(64,800)	2,708,146
Total Awarded Shares granted:	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	4,032,300	–	–	(694,765)	(64,800)	3,272,735
Five highest paid individuals in aggregate (Note 1):	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	539,600	–	–	–	–	539,600

Notes:

- All of the five highest paid individuals of the Group are directors of the Company.
- There is no purchase price to be paid by the grantees. The consideration for each grant of the Awarded Shares in nil.
- The closing prices of the shares of the Company immediate before the date of the grant and on the date of the grant of the unvested Awarded Shares were HK\$7.77 and HK\$7.45 per share respectively.
- The fair value of the unvested Awarded Shares granted on 13 November 2023 was HK\$7.45 per share as at the date of grant.
- No Awarded Shares were purchased by the trustee of the Share Award Scheme during the six months ended 30 June 2026.
- The accounting standard and policy adopted are set out in note 3 to the consolidated financial statements in 2025 Annual Report.

* retired on 30 June 2026.

** resigned on 15 May 2026

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, the Company has repurchased a total of 2,750,000 shares on the Stock Exchange at total consideration (including transaction costs) of approximately HK\$22,627,000. Particulars of the repurchases are as follows:

Month	No. of Shares	Purchase Price		Total Consideration HK\$
		Highest HK\$	Lowest HK\$	
January to May	–	–	–	–
June	2,750,000	8.40	7.98	22,627,000

All the repurchased shares were subsequently cancelled in July 2026. Save for the above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2026.

Other Information

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange as its code of conduct for dealings in securities of the Company by the Board. Following a specific enquiry, all directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Board is of the view that best corporate governance is crucial to safeguard the interests of shareholders and to enhance the Group's performance. The Board is dedicated to maintaining and ensuring a high standard of corporate governance. For the six months ended 30 June 2026, the Company has applied and complied with the applicable code provisions set out in the Corporate Governance Code ("CG Code") and Corporate Governance Report contained in Appendix C1 of Listing Rules, except for deviation which is summarised below:

– **Code Provision C.2.1**

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the six months ended 30 June 2026, the Company did not have a chief executive officer. The Company will make appointment to fill the post as appropriate.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors, namely Mr. Chong Peng Oon, Prof. Song Ming and Dr. Fu Qiushi. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2026. The Audit Committee has relied on a review conducted by the Company's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA and representations from the management.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to our shareholders and partners for their full trust and support, as well as to our staff for their efforts and contributions. I hope we can join hands and create a better future together.

On behalf of the Board

Tsoi Hoi Shan

Chairman

Hong Kong, 31 August 2026