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Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 950)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHT

	Six months ended 30 June		Change
	2025 HK\$'000	2024 HK\$'000	
Revenue	694,821	658,345	+5.5%
Gross profit	360,053	350,595	+2.7%
Profit attributable to the owners of the Company	67,185	62,478	+7.5%
	HK cents	HK cents	
Earnings per share			
Basic	11.41	10.61	+7.5%
Diluted	11.41	10.61	+7.5%
Interim dividend per share	2.20	2.00	

* For identification purpose only

INTERIM FINANCIAL STATEMENTS

The directors (the “**Directors**”) of Lee’s Pharmaceutical Holdings Limited (the “**Company**”) present herewith the unaudited consolidated interim financial results (the “**Interim Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024. The Interim Results are unaudited, but have been reviewed by the Company’s auditor, Confucius International CPA Limited (the “**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 Hong Kong Institute of Certified Public Accountants. The audit committee of the Company has also reviewed with the management and the Auditor the Interim Results before recommending it to the board of Directors (the “**Board**”) for approval.

BUSINESS REVIEW

Revenue and Profit

The Group’s first-half 2025 revenue amounted to HK\$694,821,000, reflecting a steady year-on-year growth of 5.5% from HK\$658,345,000 in the same period last year. This growth was primarily driven by solid sales performance across the Group’s product portfolio. Among rare disease and specialty products, Treprostinil Injection (芮旋爾®) recorded robust growth of 31.4%, while Bredinin® rose by 12.9%. Within the licensed-in legacy portfolio, Ferplex® delivered a notable increase of 33.3%, regaining its position as the top contributor following a transitional phase last year. Products under the Volume-Based Procurement (“**VBP**”) program also played an important role in driving revenue growth, with Fondaparinux Sodium Injection (立暢青®) and Nadroparin Calcium Injection (立騰菁®) achieving growth of 18.8% and 11.3%, respectively. These improvements supported overall revenue growth and served to counterbalance the impact of slower sales in certain other products during the period under review.

In the first half of 2025, licensed-in products contributed approximately 39.0% of the Group’s revenue, while proprietary and generic products accounted for the remaining 61.0%, a ratio broadly consistent with both the first-half and full-year of 2024.

Despite the lower gross profit margin of 51.8% in the first-half 2025, decreased by 1.5 percentage points from 53.3% achieved in the first-half 2024, the Group delivered higher gross profit. First-half 2025 gross profit of the Group was HK\$360,053,000 (First-half 2024: HK\$350,595,000), an increase of 2.7% compared to the same period last year. This outcome reflects the Group’s strategic transition towards a more diversified product portfolio, which includes lower margin generic products covered under the national reimbursement scheme and the VBP program. Although this shift resulted in a decline in the overall gross profit margin, the overall impact is gradually stabilising, and gross profit continues to demonstrate year-on-year growth.

Research and development (“**R&D**”) expenses primarily supported the development of new drugs across key therapeutic areas, including cardiovascular health, women’s health, paediatrics, rare diseases, dermatology, and obstetrics, with oncology handled by a dedicated R&D arm within the Group. During the first-half 2025, the Group continued to optimise resource allocation across prioritised R&D projects, with increased investment reflecting a strategic commitment to innovation and long-term growth. An aggregate of HK\$159,756,000 has been spent in the first-half 2025 (First-half 2024: HK\$84,713,000), increased by 88.6% compared to the same period last year and represented 23.0% to the corresponding revenue for the period (First-half 2024: 12.9%). Among which HK\$41,611,000 (First-half 2024: HK\$34,076,000) has been recognised as expenses and HK\$118,145,000 (First-half 2024: HK\$50,637,000) has been capitalised as intangible assets. Capitalised items during the period under review included HK\$66,221,000 related to scaling up PD-L1 production, aimed at reducing unit production costs and enhancing competitiveness in upcoming National Reimbursement Drug List (“**NRDL**”) negotiations.

Selling and distribution expenses for the Group amounted to HK\$152,579,000 in the first half of 2025, reflecting a reduction of HK\$19,686,000 or 11.4% compared to HK\$172,265,000 in the corresponding period of the previous year. The selling expenses to revenue ratio also declined to 22.0%, down 4.2 percentage points from 26.2% in the same period last year. This reflects the Group’s continued commitment to prudent resource allocation, while actively strengthening its distribution channels and introducing new products in a disciplined and strategic manner.

Administrative expenses for the Group totalled HK\$101,600,000 in the first half of 2025, representing an increase of HK\$4,546,000 or 4.7% compared to HK\$97,054,000 in the same period of the previous year. The Group remains committed to operating its business efficiently and effectively, implementing cost-saving measures to enhance operational performance and profitability while carefully maintaining prudent expenditure management.

Overall, net profit attributable to the owners of the Company for the first half of 2025 amounted to HK\$67,185,000, representing an increase of 7.5% compared to HK\$62,478,000 in the corresponding period of 2024. This performance reinforces the trajectory of sustainable growth established in the prior year and reflects a further consolidation of the Group’s operational strength and financial discipline.

Manufacturing Facilities and Production Capability

The Group’s manufacturing facilities have achieved significant advancements in production capabilities and efficiency.

At the Hefei site, the new pre-filled production line features a high degree of automation, effectively minimising human intervention during the manufacturing process and ensuring consistent product quality, and significantly boosting capacity for VBP products, namely Fondaparinux Sodium Injection (立暢青®) and Nadroparin Calcium Injection (立騰菁®).

The Nansha site placed greater emphasis on enhancing production and manufacturing efficiency. This included scaling up the production of Azilsartan Tablets (慈曇平®) and advanced validation batch production for Fentanyl aerosol inhalation following the success of its Phase II clinical trial. Efforts also focused on identifying and onboarding new suppliers to optimise cost structures and strengthen the overall supply chain.

Both manufacturing sites remain steadfast in their commitment to enhancing production by improving yields, conserving energy, reducing costs, and boosting efficiency to meet the demands of an evolving market environment.

Drug Development

The Group currently maintains a strong and carefully curated project pipeline, spanning early- to late-stage development, with a focus on selecting and advancing high-potential opportunities.

Major Therapeutic Areas

The Group is currently developing several assets across major therapeutic areas, including cardiovascular health, women's health, paediatrics, rare diseases, dermatology, and obstetrics. Late-stage programs currently underway include (1) the new drug application (“NDA”) for Intrarosa® in the treatment of vulvovaginal atrophy (VVA); (2) the abbreviated new drug application (“ANDA”) for Sugammadex Sodium Injection; and (3) the ANDA for Melphalan Hydrochloride for Injection. Additionally, the Group is pursuing R&D projects in rare diseases, such as Neridronate Sodium for Osteogenesis imperfecta and Anfibatide for Thrombotic Thrombocytopenic Purpura, as well as in oncology pain management with a Fentanyl drug-device combination.

Oncology Pipeline

China Oncology Focus Limited (“COF”), a 65% owned subsidiary of the Group, serves as the Group's dedicated R&D arm and operates as a clinical development stage company specialising in oncology, with a particular focus on immuno-oncology. COF has successfully built a robust pipeline of oncology assets, comprising 6 innovative assets and 4 generics, developed through a combination of internal R&D efforts and licensing agreements.

In July 2025, Socazolimab Injection received approval from the National Medical Products Administration (“NMPA”) for the addition of a new indication specifically in combination with chemotherapy for the first-line treatment of patients with extensive-stage small-cell lung cancer (“ES-SCLC”). This marks the second approved indication for Socazolimab Injection, following its initial conditional approval for the treatment of recurrent or metastatic cervical cancer.

COF is also advancing several proprietary projects that reflect its commitment to addressing critical needs in oncology through innovative therapeutic solutions.

In addition, the Group is advancing its efforts in AI-driven drug discovery, partnering with Auransa Inc. to manufacturing of AU409, an AI-derived candidate targeting advanced hepatocellular carcinoma, under U.S. FDA standards at its China facility. The Phase I clinical trial of AU409, which began in July 2024, is progressing well. For 2025, the Group has defined clear development objectives that reflect its commitment to innovation, regulatory excellence, and the continued advancement of this asset.

Furthermore, with this diverse asset portfolio, including monoclonal antibody and cytotoxic payloads, the development of Antibody-Drug Conjugates (“ADC”) has become possible, opening new avenues for targeted cancer therapies within the Group’s oncology strategy.

New Product Approval

Save for Socazolimab Injection as mentioned above, the Group obtained another registration certificate approval from the NMPA during the period under review as set out below.

Ciprofloxacin Hydrochloride and Fluocinolone Acetonide Ear Drops

In January 2025, Ciprofloxacin Hydrochloride and Fluocinolone Acetonide Ear Drops has obtained drug registration approval granted by the NMPA and is indicated for the treatment of acute otitis externa (“AOE”) and acute otitis media with tympanostomy tubes (“AOMT”).

Sales and Marketing

During the period under review, the sales and marketing team successfully sustained the Group’s sales growth trajectory. Accelerated product iteration, strategic portfolio marketing, and strengthened commercial capabilities remain key indicators of the Group’s core marketing competitiveness. In addition, the clinical value, brand strength, and market access attributes of products have become the primary drivers of sustained channel performance.

A total of 10 products are currently listed in the updated NRDL, reflecting the Group’s ongoing commitment to expanding market access and improving patient affordability. This continued presence provides a strong foundation for the Group to drive long-term value creation and deepen market engagement.

PROSPECTS

The Group approaches the second half of 2025 with cautious optimism, having achieved and sustained profit growth during the first six months of the year. This performance reflects the Group's disciplined execution and strategic focus on operational efficiency. Looking ahead, the Group expects more products to be considered for inclusion in the NRDL or VBP negotiation. While such policy developments may introduce pricing pressures, these regulatory changes also present the Group with opportunities to expand market access and drive increased sales volume.

The Group remains committed to forecasting market trends, engaging in proactive planning, mitigating risks, and embracing change as part of its strategy to unlock incremental growth and pursue expansion into new markets and emerging competitive arenas. The Group firmly believes that these strategic initiatives will continue to create long-term value, while delivering meaningful returns to shareholders in recognition of their continued support.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Notes	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	694,821	658,345
Cost of sales		<u>(334,768)</u>	<u>(307,750)</u>
Gross profit		360,053	350,595
Other income	4	16,318	18,915
Other gains and losses, net		(12,594)	2,217
Selling and distribution expenses		(152,579)	(172,265)
Administrative expenses		(101,600)	(97,054)
Provision for expected credit losses, net		(472)	(198)
Research and development expenses		<u>(41,611)</u>	<u>(34,076)</u>
Profit from operations		67,515	68,134
Finance costs		(6,352)	(6,787)
Share of results of associates		<u>(488)</u>	<u>(239)</u>
Profit before taxation	5	60,675	61,108
Taxation	6	<u>(10,129)</u>	<u>(6,239)</u>
Profit for the period		<u><u>50,546</u></u>	<u><u>54,869</u></u>
Attributable to:			
Owners of the Company		67,185	62,478
Non-controlling interests		<u>(16,639)</u>	<u>(7,609)</u>
		<u><u>50,546</u></u>	<u><u>54,869</u></u>
		HK cents	HK cents
Earnings per share	8		
Basic		<u><u>11.41</u></u>	<u><u>10.61</u></u>
Diluted		<u><u>11.41</u></u>	<u><u>10.61</u></u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	50,546	54,869
Other comprehensive income/(expense):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries	45,887	(27,737)
Item that will not be reclassified subsequently to profit or loss:		
– Fair value changes of financial assets at fair value through other comprehensive income	192,523	(354,695)
Other comprehensive income/(expense) for the period, net of tax	238,410	(382,432)
Total comprehensive income/(expense) for the period	288,956	(327,563)
Total comprehensive income/(expense) for the period attributable to:		
Owners of the Company	306,114	(319,649)
Non-controlling interests	(17,158)	(7,914)
	288,956	(327,563)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 HK\$'000 (unaudited)	At 31 December 2024 HK\$'000 (audited)
	Notes		
Non-current assets			
Property, plant and equipment	9	393,982	400,586
Intangible assets	9	1,245,683	1,135,017
Goodwill		4,366	4,366
Interests in associates	10	3,718	4,206
Financial assets at fair value through profit or loss		11,380	11,185
Financial assets at fair value through other comprehensive income		464,889	269,823
Deferred tax assets		11,012	8,098
		<u>2,135,030</u>	<u>1,833,281</u>
Current assets			
Inventories		282,786	287,514
Trade receivables	11	185,853	161,096
Other receivables, deposits and prepayment		88,981	119,130
Advance to associates		–	–
Cash and bank balances		303,576	216,845
		<u>861,196</u>	<u>784,585</u>
Current liabilities			
Trade payables	12	133,030	141,967
Other payables and accruals		499,096	449,788
Bank borrowings	13	147,478	149,957
Lease liabilities		9,029	7,802
Financial guarantee liabilities		12,828	12,967
Tax payables		11,932	8,773
		<u>813,393</u>	<u>771,254</u>
Net current assets		<u>47,803</u>	<u>13,331</u>
Total assets less current liabilities		<u><u>2,182,833</u></u>	<u><u>1,846,612</u></u>

		At 30 June 2025	At 31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Capital and reserves			
Share capital	14	29,442	29,442
Reserves		1,913,999	1,622,357
		<hr/>	<hr/>
Equity attributable to the owners of the Company		1,943,441	1,651,799
Non-controlling interests		(120,051)	(102,893)
		<hr/>	<hr/>
Total equity		1,823,390	1,548,906
		<hr/>	<hr/>
Non-current liabilities			
Other payables and accruals		48,114	21,149
Bank borrowings	13	82,760	63,908
Lease liabilities		4,360	5,631
Retirement benefits		129,790	122,790
Deferred tax liabilities		94,419	84,228
		<hr/>	<hr/>
		359,443	297,706
		<hr/>	<hr/>
		2,182,833	1,846,612
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to the owners of the Company									Attributable to non-controlling interests	Total
	Share capital HK\$'000	Share premium HK\$'000	Merger difference HK\$'000	Share-based compensation reserve HK\$'000	Other reserves HK\$'000	Investments revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000		
At 1 January 2025 (audited)	29,442	720,091	9,200	46,963	65,315	(2,712,881)	(147,871)	3,641,540	1,651,799	(102,893)	1,548,906
Employee share option benefits	-	-	-	249	-	-	-	-	249	-	249
Share options lapsed	-	-	-	(5,004)	-	-	-	5,004	-	-	-
Profit for the period	-	-	-	-	-	-	-	67,185	67,185	(16,639)	50,546
Other comprehensive income/(expenses) for the period											
- Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	46,406	-	46,406	(519)	45,887
- Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	-	192,523	-	-	192,523	-	192,523
Total comprehensive income/(expense) for the period	-	-	-	-	-	192,523	46,406	67,185	306,114	(17,158)	288,956
2024 final dividend paid	-	-	-	-	-	-	-	(14,721)	(14,721)	-	(14,721)
At 30 June 2025 (unaudited)	<u>29,442</u>	<u>720,091</u>	<u>9,200</u>	<u>42,208</u>	<u>65,315</u>	<u>(2,520,358)</u>	<u>(101,465)</u>	<u>3,699,008</u>	<u>1,943,441</u>	<u>(120,051)</u>	<u>1,823,390</u>
At 1 January 2024 (audited)	29,442	720,091	9,200	52,138	65,293	(2,292,778)	(104,956)	3,560,525	2,038,955	(78,357)	1,960,598
Employee share option benefits	-	-	-	105	-	-	-	-	105	-	105
Gain on partial disposal of interests in a subsidiary	-	-	-	-	22	-	-	-	22	9	31
Profit for the period	-	-	-	-	-	-	-	62,478	62,478	(7,609)	54,869
Other comprehensive (expenses)/income for the period											
- Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	(27,449)	-	(27,449)	(288)	(27,737)
- Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	-	(354,678)	-	-	(354,678)	(17)	(354,695)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(354,678)	(27,449)	62,478	(319,649)	(7,914)	(327,563)
2023 final dividend paid	-	-	-	-	-	-	-	(5,888)	(5,888)	-	(5,888)
At 30 June 2024 (unaudited)	<u>29,442</u>	<u>720,091</u>	<u>9,200</u>	<u>52,243</u>	<u>65,315</u>	<u>(2,647,456)</u>	<u>(132,405)</u>	<u>3,617,115</u>	<u>1,713,545</u>	<u>(86,262)</u>	<u>1,627,283</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Cash generated from operations	192,906	67,203
Interest paid	(5,884)	(6,233)
Income tax paid	(2,709)	(1,994)
Net cash generated from operating activities	184,313	58,976
Investing activities		
Purchase of property, plant and equipment	(9,739)	(11,262)
Payment for construction in progress	(209)	(268)
Additions to development cost and license fees	(75,090)	(50,637)
Other cash flows arising from investing activities	(1,298)	(3,039)
Net cash used in investing activities	(86,336)	(65,206)
Financing activities		
Dividends paid	(14,721)	(5,888)
Other cash flows arising from financing activities	9,032	33,887
Net cash (used in)/generated from financing activities	(5,689)	27,999
Net increase in cash and cash equivalents	92,288	21,769
Cash and cash equivalents at 1 January	216,845	167,528
Effect of foreign exchange rate changes	(5,557)	1,497
Cash and cash equivalents at 30 June	303,576	190,794
Analysis of cash and cash equivalents:		
Cash and bank balances	303,576	194,985
Less: Bank overdrafts	–	(4,191)
	303,576	190,794

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

2. MATERIAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values as appropriate.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2024 except as described below.

In the current reporting period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the Group’s unaudited condensed consolidated financial statements. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; HKASs; Hong Kong (IFRIC) Interpretations; Hong Kong Interpretations and Hong Kong (SIC) Interpretations.

Amendments to HKAS 21

Lack of Exchangeability

The application of these amendments to HKFRS Accounting Standards has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date to be determined

The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a material impact on its results of operations and financial positions.

3. SEGMENT INFORMATION

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the types of good delivered. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

Proprietary and generic products – Manufacturing and sales of self-development and generic pharmaceutical products

Licensed-in products – Trading of licensed-in pharmaceutical products

Revenue including manufacturing and trading of pharmaceutical products are recognised at a point in time.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June

	Proprietary and generic products		Licensed-in products		Consolidated	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	423,504	402,343	271,317	256,002	694,821	658,345
Segment operating results	85,153	90,082	52,293	23,402	137,446	113,484
Research and development expenses	(22,826)	(18,796)	(18,785)	(15,280)	(41,611)	(34,076)
Segment results	62,327	71,286	33,508	8,122	95,835	79,408
Unallocated income					8,276	10,876
Unallocated expenses					(36,596)	(22,150)
Profit from operations					67,515	68,134
Finance costs					(6,352)	(6,787)
Profit before share of results of associates					61,163	61,347
Share of results of associates					(488)	(239)
Profit before taxation					60,675	61,108
Taxation					(10,129)	(6,239)
Profit for the period					50,546	54,869

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current interim period (six months ended 30 June 2024: Nil).

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments for the period/year:

	Proprietary and generic products		Licensed-in products		Consolidated	
	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Segment assets	1,248,554	1,040,958	963,643	1,080,947	2,212,197	2,121,905
Unallocated assets					784,029	495,961
Total assets					<u>2,996,226</u>	<u>2,617,866</u>
Segment liabilities	317,194	275,620	361,610	343,227	678,804	618,847
Unallocated liabilities					494,032	450,113
Total liabilities					<u>1,172,836</u>	<u>1,068,960</u>

Geographical information

During both the six months ended 30 June 2025 and 2024, more than 90% of the Group's revenue was derived from activities conducted in the People's Republic of China (the "PRC"), no geographical information on revenue is presented.

The following is an analysis of the Group's assets and liabilities by geographical market for the period/year:

	The PRC		Hong Kong and others		Total	
	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Total assets	2,004,128	1,843,575	992,098	774,291	2,996,226	2,617,866
Total liabilities	719,278	594,403	453,558	474,557	1,172,836	1,068,960

4. OTHER INCOME

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income on bank deposits	1,134	1,082
Development and government grants	2,238	93
Rental and utilities income	8,846	9,195
Research and development service income	–	59
Sundry income	4,100	8,486
	<u>16,318</u>	<u>18,915</u>

The Group received the development grants from local government as recognition of the Group's performance and development of high-technology pharmaceutical products.

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging the following items:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment (including right-of-use assets)	35,449	38,571
Amortisation of intangible assets	36,701	31,881
Total depreciation and amortisation	<u>72,150</u>	<u>70,452</u>
Interest expenses on borrowings and overdrafts	5,656	6,134
Interest expenses on lease liabilities	461	406
Share-based payments	249	105
– Directors	224	14
– Employees	25	91

6. TAXATION

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
Hong Kong Profits Tax	3,817	2,319
PRC Enterprise Income Tax	1,787	–
	<u>5,604</u>	<u>2,319</u>
Under provision in prior years		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax	12	11
	<u>12</u>	<u>11</u>
Deferred tax		
Origination of temporary difference	4,513	3,909
	<u>10,129</u>	<u>6,239</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% and profits above HK\$2 million will be taxed at 16.5%. Profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimate assessable profits and at 16.5% on the estimate assessable profits above HK\$2 million.

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% (2024: 25%) on the estimated assessable profits for the year, if applicable, based on existing legislation, interpretations and practices in respect thereof, except for a subsidiary which is entitled to preferential tax treatment of 15% (2024: 15%) for three years upon grant of the certificates as they are qualified as “new high technology enterprise”.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interim dividend declared – HK\$0.022 (2024: HK\$0.020) per ordinary share based on issued share capital at the end of the reporting period	<u>12,954</u>	<u>11,777</u>

Interim dividend will be paid on 3 October 2025 to shareholders registered in the Company’s register of members as at the close of business on 17 September 2025. This dividend was declared after the interim reporting date, and therefore has not been included as a liability in the condensed consolidated statement of financial position. 2024 final dividend of HK\$0.020 per share, totalling HK\$11,777,000 was paid on 16 June 2025.

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings:		
Net profit attributable to the owners of the Company for the purpose of basic and diluted earnings per share	<u>67,185</u>	<u>62,478</u>
	For the six months ended 30 June	
	2025	2024
	Share(s)'000	Share(s)'000
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	588,835	588,835
Effect of dilutive potential ordinary shares:		
Options	<u>6</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>588,841</u>	<u>588,835</u>

9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group entered into a number of lease agreements and therefore recognised the additions to right-of-use assets of approximately HK\$5 million (six months ended 30 June 2024: approximately HK\$9 million).

(b) Owned property, plant and equipment

During the six months ended 30 June 2025, additions to owned property, plant and equipment amount to approximately HK\$10 million (six months ended 30 June 2024: approximately HK\$12 million).

(c) Intangible assets

During the six months ended 30 June 2025, additions to intangible assets amount to approximately HK\$118 million (six months ended 30 June 2024: approximately HK\$51 million), which consist of both license fees and development cost.

During both the six months ended 30 June 2024 and 2025, there is no provision for impairment on, or write-off of, intangible assets recognised in profit or loss.

10. INTERESTS IN ASSOCIATES

The movements in the Group's interests in associates during the reporting period/year are as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
At beginning of the period/year	4,206	5,045
Share of post-acquisition loss	(488)	(839)
At end of the period/year	<u>3,718</u>	<u>4,206</u>

Details of the Group's associates at the end of the reporting period/year are as follows:

Name of associate	Place of incorporation/ operations	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		30 June 2025	31 December 2024	30 June 2025	31 December 2024	
Powder Pharmaceuticals Incorporated	British Virgin Islands/ Hong Kong	33.92%	33.92%	33.92%	33.92%	Development, manufacturing and sale of pharmaceutical products
ZERO Biotech Company Limited	Hong Kong/ Hong Kong	29.25%	29.25%	29.25%	29.25%	Operation of a central pharmacy for compounding radiopharmaceuticals

11. TRADE RECEIVABLES

The Group allows an average credit period of 30–120 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the revenue recognition dates, and net of allowance for expected credit loss at the end of the reporting period:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0–30 days	101,684	96,139
31–120 days	78,996	62,245
121–180 days	2,598	2,446
181–365 days	2,556	266
Over 365 days and under 3 years	19	–
	<u>185,853</u>	<u>161,096</u>

12. TRADE PAYABLES

The average credit period on purchases of certain goods is 90 days.

The following is an analysis of trade payables by age, presented based on invoice date, at the end of the reporting period:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0–90 days	103,661	127,414
91–180 days	18,942	13,573
181–365 days	10,375	450
Over 365 days	52	530
	<u>133,030</u>	<u>141,967</u>

13. BANK BORROWINGS

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Current		
Bank borrowings – secured	100,569	107,637
Bank borrowings – unsecured	<u>46,909</u>	<u>42,320</u>
	147,478	149,957
Non-current		
Bank borrowings – secured	63,909	63,908
Bank borrowings – unsecured	<u>18,851</u>	<u>–</u>
	82,760	63,908
Total	<u>230,238</u>	<u>213,865</u>
Carrying amount of the bank borrowings are repayable (<i>Note a</i>):		
Within one year	147,478	149,957
More than one year but not exceeding two years	66,977	63,908
More than two years but not exceeding five years	<u>15,783</u>	<u>–</u>
	<u>230,238</u>	<u>213,865</u>

Note a: The table is based on the agreed repayment schedule provided by banks.

Bank borrowings carry floating interest rates which is adjusted with reference to Hong Kong Interbank Offered Rate or Loan Prime Rate at both 30 June 2025 and 31 December 2024. As at 30 June 2025, the effective interest rates of Group's bank borrowings ranged from 1.97% to 2.97% (31 December 2024: 2.60% to 6.58%) per annum.

The Group's bank borrowings are denominated in the following currencies:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Hong Kong Dollars	164,478	171,545
Renminbi	65,760	42,320
	<u>230,238</u>	<u>213,865</u>

14. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Authorised:				
Ordinary shares of HK\$0.05 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:				
At beginning and end of the period/year	<u>588,835,343</u>	<u>588,835,343</u>	<u>29,442</u>	<u>29,442</u>

15. RELATED PARTY TRANSACTIONS

During the reporting period, the Group entered into the following transactions with related parties. In the opinion of the directors of the Company, the following transactions arose in the ordinary course of the Group's business.

(a) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the reporting period was as follows:

	For the six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Short-term employee benefits	14,648	11,991
Share-based payments	224	14
Retirement and other post-employment benefits	7,009	5,889
– Defined contribution plan	9	9
– Retirement benefits	7,000	5,880
	<u>21,881</u>	<u>17,894</u>

(b) Donation to Lee’s Pharmaceutical – Kanya Lee Scholarship Limited (“Kanya Lee Scholarship”)

During the six months ended 30 June 2025, total HK\$200,000 (six months ended 30 June 2024: HK\$200,000) was donated to Kanya Lee Scholarship. Ms. Leelalertsuphakun Wanee and Ms. Lee Siu Fong, directors of the Company, are also members of key management of Kanya Lee Scholarship and Kanya Lee Scholarship is considered as a related party to the Group.

(c) Transactions with associates

	For the six months ended 30 June	
	2025	2024
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Service expenses	1,426	–

16. CAPITAL COMMITMENTS

	30 June 2025	31 December 2024
	HK\$’000	HK\$’000
	(unaudited)	(audited)
Capital commitments contracted for:		
Investment in financial assets at fair value through other comprehensive income	5,464	7,920
Intangible assets – license fee and development cost	97,138	83,016
Property, plant and equipment	31,054	23,761
	133,656	114,697

17. PLEDGE OF ASSETS

There were no assets being pledged as at 30 June 2025 and 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

INTERIM DIVIDEND

The Board recommended an interim dividend of HK\$0.022 (2024: HK\$0.020) per share to shareholders registered in the Company's register of members as at the close of business on Wednesday, 17 September 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 16 September 2025 to Wednesday, 17 September 2025 (both days inclusive). In order to establish entitlements to the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 15 September 2025. Interim dividend will be paid on Friday, 3 October 2025 to shareholders registered in the Company's register of members as at the close of business on Wednesday, 17 September 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

Looking forward, the Board will continue to conduct reviews on the Company's corporate governance practices from time to time to ensure compliance with the CG Code.

PUBLICATION OF FINANCIAL INFORMATION

The interim report for the six months ended 30 June 2025 containing all the detailed information will be dispatched to the shareholders of the Company and published on the respective websites of The Stock Exchange of Hong Kong Limited (<https://www.hkexnews.hk>) and the Company (<https://www.leespharm.com>) in due course.

By order of the Board
Lee's Pharmaceutical Holdings Limited
Lee Siu Fong
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, Ms. Lee Siu Fong (Chairman) and Ms. Leelalertsuphakun Wanee are executive Directors; Dr. Li Xiaoyi, Mr. James Charles Gale and Mr. Huang Zuie-Chin are non-executive Directors; Dr. Chan Yau Ching, Bob, Ms. Cheang Yee Wah, Eva and Dr. Tsim Wah Keung, Karl, are independent non-executive Directors.