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**天大藥業有限公司**

**TIANDA PHARMACEUTICALS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00455)**

## **2025 INTERIM RESULTS ANNOUNCEMENT**

The board of directors (the “Board”) of Tianda Pharmaceuticals Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group” or “Tianda Pharmaceuticals”) for the six months ended 30 June 2025 as follows:

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>REVENUE</b>	4	<b>136,635</b>	156,073
Cost of sales		<u>(80,051)</u>	<u>(80,228)</u>
Gross profit		<b>56,584</b>	75,845
Other income, gains and losses, net		<b>1,472</b>	3,699
Selling and distribution expenses		<b>(47,101)</b>	(52,717)
Administrative expenses		<b>(37,101)</b>	(42,506)
Research and development expenses		<b>(5,954)</b>	(7,088)
Finance costs		<u><b>(1,826)</b></u>	<u>(2,433)</u>
<b>LOSS BEFORE TAX</b>	5	<b>(33,926)</b>	(25,200)
Income tax credit/(expenses)	6	<u><b>425</b></u>	<u>(2,025)</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(33,501)</b></u>	<u>(27,225)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Changes in fair value of equity investments designated at fair value through other comprehensive income		–	(92)
Exchange differences on translation of the Company's financial statements		<u><b>919</b></u>	<u>(1,522)</u>
		<u><b>919</b></u>	<u>(1,614)</u>
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of subsidiaries' financial statements		<u><b>12,417</b></u>	<u>(13,085)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<u><b>13,336</b></u>	<u>(14,699)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u><b>(20,165)</b></u>	<u>(41,924)</u>

	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>
(Loss)/profit for the period attributable to:			
Shareholders of the Company		(33,237)	(27,236)
Non-controlling interests		(264)	11
		<u>(33,501)</u>	<u>(27,225)</u>
Total comprehensive (loss)/income attributable to:			
Shareholders of the Company		(19,901)	(41,935)
Non-controlling interests		(264)	11
		<u>(20,165)</u>	<u>(41,924)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO</b>		<b>HK Cent</b>	<b>HK Cent</b>
<b>SHAREHOLDERS OF THE COMPANY</b>			
Basic and diluted	7	<u>(1.55)</u>	<u>(1.27)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	350,904	349,759
Right-of-use assets		41,861	36,328
Goodwill		93,055	90,391
Other intangible assets		61,996	60,530
Deposits paid for the acquisition of property, plant and equipment and other intangible assets		14,104	12,138
Equity investments designated at fair value through other comprehensive income		—	—
Total non-current assets		561,920	549,146
<b>CURRENT ASSETS</b>			
Inventories		51,779	40,209
Trade and bills receivables	10	58,407	77,423
Prepayments, deposits and other receivables		10,219	11,894
Due from fellow subsidiaries		53	87
Income tax recoverable		—	575
Structured deposits at fair value through profit or loss		6,035	—
Cash and cash equivalents		86,382	85,688
Total current assets		212,875	215,876
<b>CURRENT LIABILITIES</b>			
Trade payables	11	84,596	67,438
Other payables and accruals		48,614	46,885
Due to related companies	12	14,922	11,659
Income tax payable		430	750
Bank borrowings		80,625	122,074
Lease liabilities		4,303	2,192
Total current liabilities		233,490	250,998
<b>NET CURRENT LIABILITIES</b>		<b>(20,615)</b>	<b>(35,122)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>541,305</b>	<b>514,024</b>

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	44,281	—
Lease liabilities	6,351	3,179
Deferred tax liabilities	5,173	5,180
	<hr/>	<hr/>
Total non-current liabilities	55,805	8,359
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>485,500</b>	<b>505,665</b>
	<hr/>	<hr/>
<b>EQUITY</b>		
Equity attributable to shareholders of the Company		
Issued capital	215,004	215,004
Reserves	270,933	290,834
	<hr/>	<hr/>
	485,937	505,838
Non-controlling interests	(437)	(173)
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>485,500</b>	<b>505,665</b>
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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the six months ended 30 June 2025*

### 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial information is presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited interim condensed financial information has been prepared on the going concern basis notwithstanding that the Group had net current liabilities of approximately HK\$20.6 million as at 30 June 2025 and reported a net loss of approximately HK\$33.5 million for the six months then ended, as the directors of the Company consider that the Group will have adequate funds available to enable it to operate as a going concern for the twelve months from the end of the reporting period, based on the following:

- (a) as at the end of the reporting period, the Group had unutilised credit facilities of HK\$33,242,000 from banks. The total facility amount is HK\$158,148,000, of which an amount of HK\$124,906,000 was drawn down during the year and outstanding as at the end of the reporting period;
- (b) the Group has good track records and relationship with banks which would enhance the Group's ability on restructuring its borrowing facilities. The Group is confident that sufficient financing can be arranged from the refinancing or renewal of bank borrowings upon or before the maturity date;
- (c) the Group will implement a performance-based remuneration system to incentivise sales personnel and enhance marketing activities to increase the effectiveness of our market penetration of the Group's products; and
- (d) the Group has engaged in negotiations with key suppliers to reduce sourcing costs, closely monitoring the recoverability of trade receivables and strengthened cost controls over various operating expenses in order to improve its cash flows position.

### 2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The application of the amended HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial position and operating performance.

### 3. OPERATING SEGMENT INFORMATION

Information reported to the managing director of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods delivered or services provided, being the Chinese medicine business, pharmaceuticals and medical technologies business and medical and healthcare services. The CODM monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. In addition, the CODM monitors the Group's assets and liabilities as a whole and, accordingly, no segment assets and liabilities information is presented.

Segment performance is evaluated based on segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that corporate and other unallocated expenses, certain other income, gains and losses are excluded from such measurement.

#### Six months ended 30 June 2025

	Chinese medicine business HK\$'000 (Unaudited)	Pharmaceuticals and medical technologies business HK\$'000 (Unaudited)	Medical and healthcare services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue (note 4):</b>				
Sales to external customers	18,822	106,428	11,385	136,635
Intersegment sales	1,182	2,919	–	4,101
	<u>20,004</u>	<u>109,347</u>	<u>11,385</u>	<u>140,736</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(4,101)</u>
Reported revenue				<u>136,635</u>
<b>Segment results</b>	<u>(4,156)</u>	<u>(17,164)</u>	<u>(6,889)</u>	<u>(28,209)</u>
<i>Reconciliation:</i>				
Unallocated other income, gains and losses, net				131
Corporate and other unallocated expenses				<u>(5,848)</u>
Loss before tax				<u>(33,926)</u>

Six months ended 30 June 2024

	Chinese medicine business HK\$'000 (Unaudited)	Pharmaceuticals and medical technologies business HK\$'000 (Unaudited)	Medical and healthcare services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue (note 4):</b>				
Sales to external customers	12,423	136,696	6,954	156,073
Intersegment sales	628	52	–	680
	<u>13,051</u>	<u>136,748</u>	<u>6,954</u>	<u>156,753</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(680)</u>
Reported revenue				<u>156,073</u>
<b>Segment results</b>	<u>(6,376)</u>	<u>(4,916)</u>	<u>(7,541)</u>	<u>(18,833)</u>
<i>Reconciliation:</i>				
Unallocated other income, gains and losses, net				1,135
Corporate and other unallocated expenses				<u>(7,502)</u>
Loss before tax				<u>(25,200)</u>



#### 4. REVENUE

Revenue of the Group for each of the six months ended 30 June 2025 and 2024 was all revenue from contracts with customers and the following tables set out the disaggregated revenue information for revenue from contracts with customers:

##### Six months ended 30 June 2025

Segments	Pharmaceuticals			Total
	Chinese	and medical	Medical and	
	medicine	technologies	healthcare	
	business	business	services	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods or services</b>				
Sale of pharmaceutical and biotechnology products	–	102,253	–	102,253
Sale of healthcare products	–	2,265	3,514	5,779
Sale of Chinese medicine products	18,822	–	4,812	23,634
Chinese medical services	–	–	3,059	3,059
Provision of contract development and manufacturing organisation (“CDMO”) services	–	1,910	–	1,910
Total revenue from contracts with customers	<u>18,822</u>	<u>106,428</u>	<u>11,385</u>	<u>136,635</u>
<b>Geographical markets</b>				
Mainland China	18,822	106,298	7,276	132,396
Hong Kong	–	85	3,500	3,585
Australia	–	45	609	654
Total revenue from contracts with customers	<u>18,822</u>	<u>106,428</u>	<u>11,385</u>	<u>136,635</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	18,822	104,518	8,326	131,666
Services rendered over time	–	1,910	3,059	4,969
Total revenue from contracts with customers	<u>18,822</u>	<u>106,428</u>	<u>11,385</u>	<u>136,635</u>

Six months ended 30 June 2024 (restated)

Segments	Chinese	Pharmaceuticals	Medical and	Total
	medicine	and medical	healthcare	
	business	technologies	services	
	HK\$'000	business	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods or services</b>				
Sale of pharmaceutical and biotechnology products	–	130,275	–	130,275
Sale of healthcare products	–	2,136	–	2,136
Sale of Chinese medicine products	12,423	–	3,987	16,410
Chinese medical services	–	–	2,967	2,967
Provision of CDMO services	–	4,285	–	4,285
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	12,423	136,696	6,954	156,073
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Geographical markets</b>				
Mainland China	12,423	136,604	3,140	152,167
Hong Kong	–	16	3,364	3,380
Australia	–	76	450	526
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	12,423	136,696	6,954	156,073
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	12,423	132,411	3,987	148,821
Services rendered over time	–	4,285	2,967	7,252
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	12,423	136,696	6,954	156,073
	<hr/>	<hr/>	<hr/>	<hr/>

## 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	80,051	80,228
Depreciation of property, plant and equipment	14,613	14,152
Depreciation of right-of-use assets	2,794	3,184
Amortisation of other intangible assets	1,476	1,234
Reversal of impairment of financial assets, net:		
Trade receivables, net	(17)	(580)
Deposits and other receivables, net	(1)	(996)
	<u>(18)</u>	<u>(1,576)</u>

## 6. INCOME TAX

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Mainland China		
Overprovision in prior periods	(274)	(1,401)
Deferred tax	<u>(151)</u>	<u>3,426</u>
Total tax (credit)/expenses for the period	<u>(425)</u>	<u>2,025</u>

No provision for Hong Kong profits tax, Macau complementary tax and Australia income tax has been made as the Group did not generate any assessable profits arising in Hong Kong, Macau and Australia during the period (2024: Nil). Tax on profits assessable in Mainland China has been calculated at the applicable Mainland China corporate income tax ("CIT") rate of 25% (2024: 25%), except for Tianda Pharmaceuticals (Zhuhai) Ltd. ("Tianda Pharmaceuticals (Zhuhai)") and Tianda Pharmaceuticals (Yunnan) Ltd. ("Tianda Pharmaceuticals (Yunnan)"), subsidiaries of the Group. Pursuant to relevant laws and regulations in the PRC, Tianda Pharmaceuticals (Zhuhai) is qualified as an advanced technology enterprise and has obtained approvals from the relevant tax authorities for a preferential tax rate of 15% for a period of 3 years up to December 2025. Tianda Pharmaceuticals (Yunnan) is established in the Kunming Economic and Technological Development Zone which is part of the Western China Development. Pursuant to relevant laws and regulations in the PRC, Tianda Pharmaceuticals (Yunnan) is entitled to a preferential tax rate of 15% during the period (2024: 15%).

## **7. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**

The calculation of the basic loss per share amount is based on the loss attributable to the shareholders of the Company of HK\$ 33,237,000 (six months ended 30 June 2024: HK\$27,236,000), and the weighted average number of ordinary shares of 2,150,041,884 (2024: 2,150,041,884) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for each of the six months ended 30 June 2025 and 2024 for a dilution as the Group had no potentially dilutive ordinary shares in issue during these periods.

## **8. DIVIDENDS**

The directors of the Company resolved not to declare any interim dividend for the period (2024: Nil).

During the six months ended 30 June 2024, a final dividend for the year ended 31 December 2023 of HK0.26 cent per share, amounting to HK\$5,590,000 in total, was approved by the shareholders of the Company at the annual general meeting held on 7 June 2024. The final dividend was paid on 28 June 2024.

## **9. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment of HK\$6,130,000 (2024: HK\$7,080,000). In addition, the Group has disposed of certain items of property, plant and equipment with an aggregate carrying amount of HK\$106,000 (2024: HK\$10,000), resulting in a loss on disposal of HK\$106,000 for the current reporting period (2024: HK\$9,000).

## 10. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance for impairment of trade receivables, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 2 months	<b>48,209</b>	52,849
2 to 3 months	<b>1,642</b>	10,609
Over 3 months	<b>8,556</b>	13,965
	<b><u>58,407</u></b>	<b><u>77,423</u></b>

The Group's trading terms with its customers are mainly on credit, except for new customers where prepayment in advance is normally required. The credit periods range from 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade and bills receivables are non-interest-bearing.

## 11. TRADE PAYABLES

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 2 months	<b>52,280</b>	36,783
2 to 3 months	<b>4,599</b>	3,738
Over 3 months	<b>27,717</b>	26,917
	<b><u>84,596</u></b>	<b><u>67,438</u></b>

Trade payables are non-interest bearing and are normally settled with credit terms of 30 to 60 days.

## 12. DUE TO RELATED COMPANIES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade balances due to related companies:		
– Ultimate holding company	1	–
– Fellow subsidiaries	13,267	10,385
	<hr/>	<hr/>
	13,268	10,385
Other payables to fellow subsidiaries	1,654	1,274
	<hr/>	<hr/>
	14,922	11,659
	<hr/> <hr/>	<hr/> <hr/>

## 13. COMPARATIVE AMOUNTS

Certain comparative amounts have been re-presented to conform to the current period's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group focuses on the coordinated development of three major business segments: Pharmaceuticals and Medical Technologies, Chinese Medicine, and Medical and Healthcare Services. During the period, the Group consolidated the competitive advantages of its core products, broadened and diversified sales channels, promoted innovation and research and development (“R&D”) in traditional Chinese medicine (“TCM”), continuously enriched its differentiated product pipeline, strengthened its TCM industry chain build-up, and promoted cost control measures to improve business operations.

During the six months ended 30 June 2025 (the “Current Interim Period”), the Pharmaceuticals and Medical Technologies business was deeply integrated into the national medical and health system reforms, actively adapting to the optimization of the rules for the 10th batch of national bulk purchases, the refinement of payment reforms, and the widespread adoption of online medical insurance payments. It also comprehensively strengthened its compliance governance system to meet the requirements of routine anti-corruption efforts. The pediatric medication Tuoan®Ibuprofen has been included in the provincial alliances centralized procurement, including in Guangdong, and is leveraging the national push to promote centralized procurement products into the retail market. The core cardio-cerebrovascular product Tuoping®Valsartan capsules has been re-tendered in regional alliance centralized procurement. After winning the bid, provinces began implementing the tender in April. Tuoping is actively capturing market share in the winning provinces, thus maintaining its valsartan leading position in China’s hospital market. The business continued to deepen the reform and upgrading of its pharmaceutical marketing by increasing channel integration, and expanding multi-channel business development in third-party terminals, OTC, e-commerce, and OEM sectors to preserve existing volumes and capture new growth opportunities. The business adheres to the overall principle of “seeking progress while maintaining stability”, achieving cost reduction and efficiency improvements through the integration of bulk drugs and preparations production capacity upgrade. Taking advantage of digital marketing tools, the business segment enhances the precision of terminal coverage and accelerates the R&D of advanced preparation to strengthen resilience against policy risks, thus laying a foundation for sustainable development.

For the Chinese Medicine business, the Group continued to deepen strategic cooperation with new clients from leading enterprises during the Current Interim Period, while simultaneously expanding its client base of high-quality manufacturing enterprises. It accelerated the construction of a tiered system of Chinese medicine varieties such as earthworm and safflower, and strengthened the integration of authentic medicinal material resources through the newly established Tianda Chinese Medicine (Bozhou) Ltd., systematically promoting the formation of quality certification and traceability systems. By improving customer credit assessment and accounts receivable management mechanisms, the Group strictly controlled risks and accelerated the turnover of slow-moving inventory to optimize asset quality. The Group innovatively expanded its decoction pieces contract manufacturing and centralized procurement distribution models to deepen the synergistic effects of supply and sales. Tianda Chinese Medicine (Bozhou) Ltd., as a key regional hub, has provided full industry chain support for the decoction pieces business. The new marketing team continues to enhance terminal capabilities and fully drives the group's profit targets.

For the Medical and Healthcare services, the Group is committed to developing its Chinese medicine clinic brand "TDMall", with the positioning of "specialist treatments and specialized services, effectiveness and efficacy, combination of recovery and health-preservation, and harmony between nature and mankind". During the period, the Group prioritized the development of three major projects: the acupuncture and physiotherapy center, the oncology treatment center, and the health management center, while increasing its marketing efforts for health products. Notably, the flagship clinic Zhuhai TDMall and TDMall (Jordan) in Hong Kong achieved significant performance growth, contributing to the improvement to TDMall's overall performance.

During the Current Interim Period, the Company continued to increase its R&D efforts, steadily enhancing the Group's innovative drug R&D capabilities. Among these efforts, the Group collaborated with the China Academy of Chinese Medical Sciences on a Phase II randomized, double-masked, placebo-controlled, parallel-group, multi-center clinical trial of Baoxin Granules (保心顆粒) for the treatment of chronic heart failure (Qi and Yin deficiency and blood stasis). The efficacy results showed that Baoxin Granules demonstrated significant clinical advantages over the placebo group in improving symptoms, exercise capacity, and quality of life in patients with chronic heart failure. A clear dose-response relationship was observed between drug efficacy and dosage, contributing to a reduction in the heart function classification defined by the New York Heart Association (NYHA). In terms of safety, the incidence of adverse reactions for Baoxin Granules was comparable to that of the placebo group, with no serious adverse events reported from patients. Liver and kidney function indicators remained stable throughout the trial, indicating good safety profile for clinical application. Concurrently, the preparation optimization and characteristic fingerprint spectrum establishment were completed, and the Phase III clinical trial will proceed as scheduled. On the other hand, the Group successfully launched 4 new products covering respiratory, hypertension, and pediatric asthma areas, completed 2 registration applications with the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA), advanced 3 ongoing research projects, and completed re-registration for 2 core products. The Company currently has 12 CDMO/CMO products, covering 2 approved varieties, 7 CDE-registered varieties, and 3 ongoing research projects, significantly enhancing its industry influence and production efficiency.



## OUTLOOK

With the recovery of valuations for innovative drugs in the capital market during the first half of the year and the emergence of the overseas equity licensing model for new companies (“NewCo”), the Group will prioritize the introduction of innovative drugs and innovative therapies through collaboration, actively exploring emerging fields such as biotechnology incubation, cell therapy, and innovative drug research. The Group will continue to strengthen brand building for core pipelines such as “Tuoan” and “Tuoping”, expand the market share of “Tuokang” health products, simultaneously enhance the service system of TDMall through a group-oriented operating model, and establish a multi-level collaborative framework for practitioner team. The Group will ride on the trend and continuously optimize its domestic business to achieve high-quality development, while actively expanding into international and overseas markets by capitalizing on Hong Kong’s unique geographical advantages.

## FINANCIAL REVIEW

During the Current Interim Period, the Group recorded a revenue of HK\$136.6 million (six months ended 30 June 2024, “Previous Interim Period”: HK\$156.1 million).

For the Pharmaceuticals and Medical Technologies business, revenue for the Current Interim Period was HK\$106.4 million, a decrease of 22.1% from HK\$136.7 million in the Previous Interim Period. Due to the reduced market demand for respiratory infection and antihypertensive drugs, sales of major products Tuoan®Ibuprofen capsules and Tuoping®Valsartan capsules were HK\$19.8 million and HK\$54.6 million, respectively, representing decreases of 22.7% and 17.5% from HK\$25.6 million and HK\$66.2 million in the Previous Interim Period. Another major product, acetylglutamine for injection, recorded sales revenue of HK\$5.8 million for the Current Interim Period (Previous Interim Period: HK\$5.8 million), remaining largely unchanged. The loss before tax for the Pharmaceuticals and Medical Technologies business segment increased from HK\$4.9 million in the Previous Interim Period to HK\$17.2 million in the Current Interim Period.

For the Chinese Medicine business, the Current Interim Period recorded a revenue of HK\$18.8 million (Previous Interim Period: HK\$12.4 million), an increase of 51.5%. Over the past two years, the consolidation of the sales team and the maintenance of high-quality customers have gradually yielded results, reversing the downward trend in sales. Meanwhile, Tianda Chinese Medicine (Bozhou) Ltd. launched its business in the second half of 2024, opening up new development opportunities for varieties management business of the Group’s Chinese medicinal materials. The loss before tax for the Chinese Medicine business segment narrowed from HK\$6.4 million in the Previous Interim Period to HK\$4.2 million in the Current Interim Period.

For Medical and Healthcare services, revenue for the Current Interim Period was HK\$11.4 million (Previous Interim Period: HK\$7.0 million). The new Chinese medicine clinic, Jordan TDMall, opened in October 2024 and contributed positively to the Company's revenue. Meanwhile, the integration of the healthcare product sales business led to steady growth in healthcare product sales during the Current Interim Period. The loss before tax of the Medical and Healthcare services segment narrowed from HK\$7.5 million in the Previous Interim Period to HK\$6.9 million in the Current Interim Period.

Gross profit was HK\$56.6 million (Previous Interim Period: HK\$75.8 million), and the gross profit margin decreased from 48.6% in the Previous Interim Period to 41.4% in the Current Interim Period, mainly due to fixed costs such as depreciation of fixed assets did not decrease in line with the decrease in production volume, which led to the increase in average production costs. Selling and distribution expenses decreased from HK\$52.7 million in the Previous Interim Period to HK\$47.1 million in the Current Interim Period, representing an increase in the selling and distribution expense ratio from 33.8% to 34.5%.

Administrative expenses were HK\$37.1 million (Previous Interim Period: HK\$42.5 million), as the Group continued to implement cost-saving measures to suppress costs, enhanced resource utilization, and controlled expenditures. R&D expenses for the Current Interim Period was HK\$6.0 million (Previous Interim Period: HK\$7.1 million). For the latest progress of major R&D projects, please refer to the business review section above. Other income and net income for the Current Interim Period amounted to HK\$1.5 million (Previous Interim Period: HK\$3.7 million), the decline of which was primarily due to the decrease in bank deposit interest rates, resulting in the decrease in interest income from bank deposits, as well as a reduction in government subsidies received during the Current Interim Period.

In summary, the loss attributable to shareholders of the Company increased from HK\$27.2 million in the Previous Interim Period to HK\$33.5 million in the Current Interim Period. The change in profitability was mainly attributable to the Group's business performance analyzed above.

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2025, the Group had structured deposits, cash and cash equivalents of HK\$92.4 million (31 December 2024: HK\$85.7 million), of which approximately 94.2% were denominated in Renminbi ("RMB") with the remaining in Hong Kong dollar, Australian dollar, Euro, Macau pataca and United States dollar. As at 30 June 2025, the bank borrowings maturing in one year amounted to HK\$80.6 million, which were denominated in RMB and bear interest at the rate ranging from China LPR – 0.2% to China LPR + 0.15%.

As at 30 June 2025, the Group recorded net current liabilities of HK\$20.6 million. During the Current Interim Period, the Group obtained new financing facilities by four banks. As at 30 June 2025, the unutilized bank credit facilities amounted to HK\$33.2 million. The Group will continue to negotiate new long-term financing arrangements with the banks to improve liquidity. The Group's financial position remains sound.

## **EXCHANGE RATE EXPOSURE**

The Group's assets, liabilities and transactions are substantially denominated in Hong Kong dollar, RMB, United States dollar and Australian dollar. The Group has sales and investments in foreign operations which use currencies other than the functional currency of the Company RMB. As such, the Group has some exposures to foreign currency risks. The management from time to time determines suitable measures, such as entering into forward currency contracts, to lessen exposure to exchange rate fluctuations in material transactions denominated in currencies other than RMB. The Group did not enter into any forward currency contracts to hedge its foreign currency risks as at 30 June 2025.

## **CHARGES ON ASSETS**

As at 30 June 2025, the Group pledged certain right-of-use assets, and property, plant and equipment with carrying value HK\$210.4 million (31 December 2024: HK\$259.6 million) in aggregate to secure bank loan facilities granted to the Group.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 June 2025, the Group employed approximately 624 employees in Hong Kong, the PRC and Australia. The Group remunerates its employees based on market terms, the qualifications and experience of the employees concerned.

## **SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

As at the date of this announcement, the Group did not have any significant event subsequent to 30 June 2025.

## **CORPORATE GOVERNANCE**

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Current Interim Period except as mentioned below.

Mr. Fang Wen Quan is the Chairman of the Board and the Managing Director of the Company. Pursuant to code provision of C.2.1 of the CG Code, the roles of the chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Fang Wen Quan has been the key leader of the Group, who has been primarily involved in formulation of business strategies and determination of the overall direction of the Group. He has also been chiefly responsible for the Group's operations as he directly supervises the management team of the Group. Taking into account the continuation of the implementation of the Group's business plans, the Directors (including the Independent Non-executive Directors) consider that Mr. Fang Wen Quan acting as both the Chairman of the Board and the Managing Director of the Company is acceptable and in the best interest of the Group. The Board will review this situation periodically.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all the Directors, they all confirmed that they had complied with the Model Code throughout the Current Interim Period.

## **REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE**

The Group's interim condensed consolidated financial information for the Current Interim Period has not been reviewed or audited by the Company's independent auditor, but it has been reviewed by the audit committee of the Company. The audit committee of the Company currently comprises three Independent Non-executive Directors and a Non-executive Director. The audit committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including review of the unaudited condensed consolidated financial information of the Company for the Current Interim Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Current Interim Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the Company's website ([www.tiandapharma.com](http://www.tiandapharma.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report will be dispatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course.

## APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to the shareholders of the Company for their continued support and sincerely thank the Directors and staffs for their dedication and diligence. I also wish to take this opportunity to express my gratitude to the Group's customers, suppliers and bankers for their ongoing support.

For and on behalf of the Board  
**Tianda Pharmaceuticals Limited**  
**FANG Wen Quan**  
*Chairman and Managing Director*

Hong Kong, 28 August 2025

*As at the date of this announcement, the Executive Directors are Mr. FANG Wen Quan (Chairman and Managing Director) and Mr. LUI Man Sang; the Non-executive Directors are Mr. ZHONG Tao and Mr. FENG Quanming; and the Independent Non-executive Directors are Mr. LAM Yat Fai, Mr. CHIU Sung Hong and Dr. XIAN Yanfang.*