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**FINAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the Board) of Tianda Pharmaceuticals Limited (the Company) announces the consolidated results of the Company and its subsidiaries (the Group) for the year ended 31 December 2025.

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

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>REVENUE</b>	3	<b>322,945</b>	329,937
Cost of sales		<u>(189,635)</u>	<u>(177,913)</u>
Gross profit		<b>133,310</b>	152,024
Other income, gains and losses, net		<b>3,056</b>	6,002
Selling and distribution expenses		<b>(104,126)</b>	(107,851)
Administrative expenses		<b>(74,939)</b>	(85,039)
Research and development expenses		<b>(8,334)</b>	(13,283)
Impairment of goodwill		<b>(14,762)</b>	(1,339)
Finance costs		<b>(3,533)</b>	(4,854)
<b>LOSS BEFORE TAX</b>		<b>(69,328)</b>	(54,340)
Income tax	4	<u>(926)</u>	<u>(7,074)</u>
<b>LOSS FOR THE YEAR</b>		<b><u>(70,254)</u></b>	<b><u>(61,414)</u></b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Change in fair value of an equity investment designated at fair value through other comprehensive income		–	(216)
Exchange differences on translation of the financial statements of the Company		<u>1,277</u>	<u>(1,932)</u>
		<b>1,277</b>	<b>(2,148)</b>
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of the financial statements of subsidiaries		<u>19,526</u>	<u>(17,124)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b><u>20,803</u></b>	<b><u>(19,272)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(49,451)</u></b>	<b><u>(80,686)</u></b>

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Loss for the year attributable to:			
Shareholders of the Company		(69,997)	(61,371)
Non-controlling interests		(257)	(43)
		<u>(70,254)</u>	<u>(61,414)</u>
Total comprehensive loss for the year attributable to:			
Shareholders of the Company		(49,194)	(80,643)
Non-controlling interests		(257)	(43)
		<u>(49,451)</u>	<u>(80,686)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>LOSS PER SHARE ATTRIBUTABLE TO</b>			
<b>    SHAREHOLDERS OF THE COMPANY</b>			
Basic and diluted	6	<u>(3.26)</u>	<u>(2.85)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		344,879	349,759
Right-of-use assets		39,783	36,328
Goodwill		79,891	90,391
Other intangible assets		68,741	60,530
Deposit paid for acquisition of property, plant and equipment and other intangible assets		16,874	12,138
		<u>550,168</u>	<u>549,146</u>
Total non-current assets		550,168	549,146
<b>CURRENT ASSETS</b>			
Inventories		44,688	40,209
Trade and bills receivables	7	76,479	77,423
Prepayments, deposits and other receivables		11,634	11,894
Due from related companies		48	87
Income tax recoverable		–	575
Cash and bank balances		64,808	85,688
		<u>197,657</u>	<u>215,876</u>
Total current assets		197,657	215,876
<b>CURRENT LIABILITIES</b>			
Trade payables	8	79,304	67,438
Other payables and accruals		55,994	46,885
Due to related companies		15,925	11,659
Income tax payables		431	750
Bank borrowings	9	82,321	122,074
Lease liabilities		4,348	2,192
		<u>238,323</u>	<u>250,998</u>
Total current liabilities		238,323	250,998
<b>NET CURRENT LIABILITIES</b>		<u>(40,666)</u>	<u>(35,122)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>509,502</u>	<u>514,024</u>

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings	9	41,917	–
Lease liabilities		4,072	3,179
Deferred income		779	–
Deferred tax liabilities		6,370	5,180
		<hr/>	<hr/>
Total non-current liabilities		53,138	8,359
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>456,364</b>	505,665
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Equity attributable to shareholders of the Company			
Issued capital		215,004	215,004
Reserves		241,640	290,834
		<hr/>	<hr/>
		456,644	505,838
Non-controlling interests		(280)	(173)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>456,364</b>	505,665
		<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

### 1.1 BASIS OF PRESENTATION

The Group had net current liabilities of approximately HK\$40.7 million as at 31 December 2025 and reported a net loss of approximately HK\$70.3 million for the year then ended. In light of this, a cash flow projection for the year ending 31 December 2026 was prepared by the Group to assess the appropriateness of the going concern basis to prepare these financial statements.

The cash flow projection was prepared with the following major assumptions:

- (a) there will be an improvement in operating cash flows as the Group expects there will be an increase in sales in 2026 and gross profit margin can be achieved at least at the level of 2025;
- (b) the Group would be able to refinance its bank borrowings upon maturity on the basis that the Group had a history of successful loan renewals in prior years and the existence of land and buildings to serve as securities for bank borrowings; and
- (c) the Group will continue to implement cost-saving measures to control the outlays on operating expenses.

While the cash flow projection indicates that the Group is able to operate as a going concern for the next twelve months from the end of the reporting period, the directors of the Company also take note of the following that can further enhance the cash position of the Group but have not considered in the cash flow projection:

- (a) the Group has a parcel of land in Zhuhai, the PRC, which is currently available to serve as a security for additional bank borrowing;
- (b) the Group has unutilised credit facilities of RMB13 million as at the date of approval of this announcement; and
- (c) the Group shall continue to invest in research and development activities and plant and equipment to develop new products for future sales growth and has built in certain cash outlays in the cash flow projection. However, majority of such expenditure are not committed and could be avoided by the Group whenever necessary.

Based on the cash flow projection and the possibility of further cash position enhancement as mentioned above, the directors of the Company are of the opinion that the Group is able to continue as a going concern for the next twelve months from the end of the reporting period. Accordingly, these financial statements have been prepared on the going concern basis.

## **1.2 BASIS OF PREPARATION**

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an equity investment designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

## **2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The application of these amendments has had no material impact on the Group’s results and financial position.

### 3. REVENUE

Revenue of the Group for each of the years ended 31 December 2025 and 2024 wholly represented revenue from contracts with customers.

#### *Disaggregated revenue information*

#### **Year ended 31 December 2025**

<b>Segments</b>	<b>Pharmaceuticals</b>			<b>Total</b>
	<b>Chinese medicine business</b>	<b>and medical technologies business</b>	<b>Medical and healthcare services</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Types of goods or services</b>				
Sale of pharmaceutical and biotechnology products	–	235,106	–	235,106
Sale of healthcare products	–	4,206	5,055	9,261
Sale of Chinese medicine products	56,205	–	10,120	66,325
Chinese medical services	–	–	6,134	6,134
CDMO services	–	6,119	–	6,119
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>56,205</b>	<b>245,431</b>	<b>21,309</b>	<b>322,945</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Geographical markets</b>				
Chinese mainland	56,205	245,135	13,801	315,141
Hong Kong	–	188	6,197	6,385
Australia	–	108	1,311	1,419
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>56,205</b>	<b>245,431</b>	<b>21,309</b>	<b>322,945</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	56,205	239,312	15,175	310,692
Services rendered over time	–	6,119	6,134	12,253
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>56,205</b>	<b>245,431</b>	<b>21,309</b>	<b>322,945</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Year ended 31 December 2024

Segments	Pharmaceuticals			Total HK\$'000
	Chinese medicine business HK\$'000	and medical technologies business HK\$'000	Medical and healthcare services HK\$'000	
<b>Types of goods or services</b>				
Sale of pharmaceutical and biotechnology products	–	267,977	–	267,977
Sale of healthcare products	–	4,766	3,510	8,276
Sale of Chinese medicine products	27,084	–	8,589	35,673
Chinese medical services	–	–	6,837	6,837
CDMO services	–	11,174	–	11,174
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>27,084</u>	<u>283,917</u>	<u>18,936</u>	<u>329,937</u>
<b>Geographical markets</b>				
Chinese mainland	27,084	283,605	10,303	320,992
Hong Kong	–	79	7,664	7,743
Australia	–	233	969	1,202
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>27,084</u>	<u>283,917</u>	<u>18,936</u>	<u>329,937</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	27,084	272,743	12,099	311,926
Services rendered over time	–	11,174	6,837	18,011
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>27,084</u>	<u>283,917</u>	<u>18,936</u>	<u>329,937</u>

#### 4. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Current – Chinese mainland		
Charge for the year	2	222
(Overprovision)/underprovision in prior years	(8)	2,171
Deferred tax	932	4,681
	<u>926</u>	<u>7,074</u>
Total tax expenses for the year	<u>926</u>	<u>7,074</u>

No provision for Hong Kong profits tax, Macau complementary tax and Australia income tax have been made as the Group did not generate any assessable profits arising in Hong Kong, Macau and Australia during the year (2024: Nil). Tax on profits assessable in Chinese mainland has been calculated at the applicable Chinese mainland 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 the relevant laws and regulations in the PRC, Tianda Pharmaceuticals (Zhuhai) is qualified as a new and high technology company 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. Pursuant to relevant laws and regulations in the PRC, Tianda Pharmaceuticals (Yunnan) is engaged in the Western China Development Strategy and is entitled to a preferential tax rate of 15% during the year (2024: 15%).

#### 5. DIVIDEND

The board of directors does not recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: Nil).

#### 6. 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 shareholders of the Company for the year of HK\$69,997,000 (2024: HK\$61,371,000), and the weighted average number of ordinary shares of 2,150,041,884 (2024: 2,150,041,884) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for each of the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potential ordinary shares outstanding during these years.

## 7. TRADE AND BILLS RECEIVABLES

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

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 2 months	<b>53,407</b>	52,849
2 to 3 months	<b>3,848</b>	10,609
Over 3 months	<b>19,224</b>	13,965
	<hr/> <b>76,479</b> <hr/>	<hr/> 77,423 <hr/>

## 8. TRADE PAYABLES

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

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 2 months	<b>54,616</b>	36,783
2 to 3 months	<b>3,057</b>	3,738
Over 3 months	<b>21,631</b>	26,917
	<hr/> <b>79,304</b> <hr/>	<hr/> 67,438 <hr/>

## 9. BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
<b>Current:</b>						
Bank loans – secured	PRC Loan Prime Rate (“LPR”) to LPR – 0.30%	2026	23,304	LPR +1%	2025	54,741
Bank loans – unsecured	LPR to LPR – 0.10%	2026	47,892	LPR +0.45%	2025	67,333
Bank loans – unsecured (note)	LPR – 0.60%	Repayable on demand	11,125	–	–	–
			<u>82,321</u>			<u>122,074</u>
<b>Non-current:</b>						
Bank loans – secured	LPR to LPR – 0.30%	2027-2028	41,917			–
			<u>124,238</u>			<u>122,074</u>

Note:

At 31 December 2025, the Group did not comply with a financial covenant of a bank borrowing with a principal amount of RMB10 million (2024: Nil) and hence the bank borrowing was classified as a current liability and grouped into the “Repayable on demand” category in the bank borrowing repayment analysis disclosed above.

The expected repayment dates of the Group’s bank borrowings that are grouped under “Repayment on demand” category, with reference to schedules of repayments set out in the term loan agreement, are as follows:

	2025 HK\$'000
Within one year	1,001
In the second year	333
In the third to fifth years, inclusive	9,791
	<u>11,125</u>

## 10. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year’s presentation and disclosures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group proactively optimized its sales strategies and promoted resource consolidation to effectively strengthen its overall risk-resilience. During the period, driven by recurring respiratory infection outbreaks in mainland China, the market demand surge for the Group's pediatric medication, Tuoen®Ibuprofen led to revenue growth. In the first half of 2025, Tuoen®Ibuprofen ranked second in market share among comparable products in mainland China. Meanwhile, sales volume of the another core product – the cardiovascular and cerebrovascular medication Tuoping®Valsartan capsules – was under pressure due to the impact of Mainland China's centralized bulk procurement policy for pharmaceuticals ("Centralized Procurement") and its competitive bidding mechanism.

In terms of financial performance, revenue remained broadly stable for the year ended 31 December 2025 (the "Year"). Total revenue was HK\$322.9 million (the year ended 31 December, 2024 (the "Previous Financial Year"): HK\$329.9 million). The loss attributable to shareholders of the Company increased from HK\$61.4 million in the Previous Financial Year to HK\$70.0 million for the Year.

Excluding the one-off non-cash impairment loss on the goodwill of HK\$14.8 million (Previous Financial Year: HK\$1.3 million), the adjusted loss attributable to shareholders of the Company narrowed from HK\$60.1 million in the Previous Financial Year to HK\$55.2 million for the Year.

#### **Pharmaceuticals and medical technologies business – improving production efficiency and quality, and developing CDMO/CMO businesses**

Affected by multiple factors, including contracting market demand, industry-wide overcapacity, and Jiangsu Province's low-price policy for centralized procurement, revenue from the pharmaceuticals and medical technology business for the Year was HK\$245.4 million (Previous Financial Year: HK\$283.9 million). The Group continued to leverage its strong foundation in key therapeutic areas such as cardiovascular and cerebrovascular diseases and pediatrics, further consolidating the market leadership and core competitiveness of its two leading products: Tuopin®Valsartan capsules for cardiovascular and cerebrovascular disease and Tuoen®Ibuprofen series for pediatric use.

During the reporting period, driven by recurring incidences of respiratory diseases including influenza, particularly in the fourth quarter, the pediatric medication Tuoen®Ibuprofen recorded sales revenue of HK\$66.7 million for the Year (Previous Financial Year: HK\$52.7 million) and maintained its position as the second-largest market share holder in Mainland China during the first half of 2025. Affected by the renewal of provincial centralized procurement and the impact of low-price competition, sales revenue of the cardiovascular and cerebrovascular medication Tuopin®Valsartan capsules was adjusted to HK\$105.3 million during the Year (Previous Financial Year: HK\$140.0 million). Nevertheless, the product still ranked second in sales volume among similar products in Mainland China, demonstrating strong brand resilience amidst a stringent policy environment.

The Group's modern R&D and production base located in Jinwan, Zhuhai, is equipped with advanced automated and intelligent facilities, and has obtained China GMP and Australian TGA certifications, which has significantly elevated the standards and technological sophistication of the products, strengthened its overall competitiveness, and laid a solid foundation for continued business expansion. Leveraging such outstanding facility, the Group actively expanded its revenue streams through CDMO and CMO business models. As at 31 December, 2025, six new CDMO projects had obtained registration approvals. The Group had a total of 30 CDMO projects for pharmaceuticals and health products in its pipeline (as at 31 December, 2024: 23), with an additional 4 CDMO products currently undergoing review and approval. It is expected to become a sustainable and stable driver of revenue growth for the Group in the future.

### **Chinese medicine business – deepening of comprehensive industry chain to lay a solid foundation for high-quality development**

Leveraging its comprehensive industrial chain, the Chinese medicine business systematically advanced various operational initiatives. By focusing on and deepening the development of a high-quality customer segments, the Group successfully consolidated and expanded its cooperative relationships with industry-leading players, optimized its customer structure, and laid a solid foundation for steady business growth. Revenue for this segment rose significantly during the Year, reaching HK\$56.2 million (Previous Financial Year: HK\$27.1 million).

In terms of product strategy, the Group has established a clear product portfolio hierarchy and concentrated resources on cultivating strategic products. The aim was to build comprehensive advantages spanning quality, supply, and traceability systems, thereby creating product brands with strong market recognition. Simultaneously, market competitiveness is strengthened through scientific market trend analysis and inventory management.

The Group places great emphasis on risk management and the improvement of operational quality. By optimizing its customer assessment and credit approval systems, the Group has mitigated risks at the source and actively resolves historical accounts receivable issues, significantly improving asset quality and cash flow. Furthermore, by clearing slow-moving inventory, exploring decoction pieces contract manufacturing and centralized procurement and distribution services, as well as promoting internal synergy to reduce costs and enhance efficiency, the Group has further improved operational efficiency and broadened its growth directions.

### **Medical and healthcare services – continuous business growth of TDMall to drive preservation of Chinese medicine culture**

In medical and healthcare services segment, the Group is committed to developing the high-quality Chinese medicine brand “TDMall” and adhering to its positioning of “specialised treatment for specific diseases, distinctive therapies with proven efficacy, integration of treatment and wellness, and harmony between human and nature” in the industry. During the period, the Group focused on advancing the construction of three major projects: the Acupuncture and physiotherapy Therapy Center, the Oncology Treatment Center, and the Health Management Center. It intensified efforts to recruit talent and build a succession pipeline for the operational management team, strengthened business development and marketing initiatives for health products, and successfully opened the TDMall in Central. TDMall (Zhuhai) and TDMall (Jordan) all recorded significant revenue growth during the Year, while the expansion of the online business “TDMall on Cloud” also began to yield results, driving an overall increase in TDMall’s revenue to HK\$21.3 million (Previous Financial Year: HK\$18.9 million).

Adhering to the principle of promoting the inheritance of TCM culture and giving back to the community, TDMall organized dozens of “Young Chinese Medicine Practitioner” parent-child activities in the Greater Bay Area during the Year, laying the groundwork for the inheritance of traditional Chinese medicine culture. At the same time, it reached out to communities and businesses to conduct over 50 charity clinic sessions and health consultations. It also continued to organize traditional Chinese medicine-themed courses and activities for major institutions, chambers of commerce, and schools, actively promoting knowledge of traditional Chinese medicine.

### **Expanding Product Pipeline and Deepening Sales Channels Penetration**

The Group has established a nationwide marketing network covering 31 provinces, autonomous regions, and municipalities in China, and has built three major sales channels: the first channel, primarily consists of urban and grassroots public medical institutions; the second channel, primarily consists of the top 100 nationwide chain drugstores; and the third channel, primarily consists of small chain drugstores, individual drugstores, and private medical institutions.

During the Year, the Group restructured its marketing structure and teams, and further standardized market operations and enhanced operational efficiency; refined performance evaluation and incentive mechanisms; and adopted multi-tiered collaboration models to maximize market and product potential. At the same time, the Group optimized market positioning, improved network layout, continued to deepen market penetration, and intensified development and coverage of county-level markets. During the Year, several new products were successively launched, including Metformin Hydrochloride and Empagliflozin Tablets, Bisoprolol Fumarate and Amlodipine Besylate Tablets for chronic diseases, Tuoen®Ibuprofen suspension/drops for pediatric use, Ambroxol Hydrochloride and Clenbuterol Hydrochloride oral solution, as well as Montelukast Sodium. These launches further refined the product portfolio and created new growth drivers.

The Group will closely align with national policy directions and actively establish a three-pronged product system comprising “traditional Chinese medicines, high-end generic drugs, and innovative drugs” to ensure the long-term stable growth in market share.

### **R&D entering harvest period with intensive new product launches**

The Group is committed to a clinical and market-driven approach, implementing a strategy that combines generic and innovative drug development, to systematically advance the R&D of both innovative and generic drugs. Through multiple channels, including independent innovation, external collaboration, and project acquisition, the Group continues to enrich and optimize its product pipeline. It is anticipated that sustained R&D investments will gradually translate into new product launches in coming years, providing strong momentum for the Group’s medium- to long-term development.

As at the end of the Year, the Group had obtained approvals for a total of 7 new products (covering 9 specifications) over the past two years. There are currently 6 projects under development, including 1 Class 1 innovative traditional Chinese medicine, 1 Class 3 chemical drug, and 4 Class 4 chemical drugs. During the reporting period, the Group collaborated with a traditional Chinese medicine research institute on the joint R&D of an innovative Chinese medicine for the treatment of chronic heart failure. The project has now completed Phase II clinical trials. R&D of chemical drugs primarily focuses on therapeutic areas such as pediatrics and the “three highs” (hypertension, hyperlipidemia, and (hyperglycemia) and their complications.

During the Year, the Phase II multicenter clinical trial of this Class 1 innovative Chinese medicine was successfully completed with positive results. Its primary indication is the treatment of chronic heart failure (characterized by deficiency of both qi and yin, and blood stasis obstructing the meridians). Trial data indicate that the drug is well tolerated and safe; compared to a placebo, it significantly improved patients' exercise tolerance, TCM syndrome patterns, New York Heart Association (NYHA) functional class, and overall quality of life, and successfully established the recommended clinical dosage. Based on these encouraging results, the Group is actively engaging with regulatory authorities and making full preparations for the subsequent Phase III confirmatory clinical trial, with the hope of providing a new treatment option for patients with heart failure as soon as possible.

The Group will continue to adhere to a strategy of combining generic and innovative drugs, steadily advancing the development of innovative drugs, generic drugs, and the secondary development of existing products; focusing on core areas such as cardiovascular and cerebrovascular diseases and pediatrics, while actively expanding into other promising sectors to continuously strengthen its R&D pipeline.

## **OUTLOOK**

Looking ahead, the Group will focus on building its core brands represented by the Tuoping® and Tuoen® series. The Group will identify blockbuster products with significant market potential through the efficient synergy of business development (BD), investment development (ID), and research and development (R&D), while simultaneously expanding the CDMO/CMO businesses to further drive our growth. We will proactively strengthen the varieties management of Chinese medicinal materials to promote the scale development of our traditional Chinese medicine business, continuously optimize the group-based operational model for our chain of Chinese medicine clinics, and continuously upgrade and develop “Tuokang” and the “TDMall Lifestyle” series of health products. We will conduct a comprehensive review and optimization of our supply chain system to achieve cost reduction and efficiency enhancement and accelerated development, ultimately striving to generate better returns for our shareholders.

## FINANCIAL REVIEW

During the Year, the Group recorded a revenue of HK\$322.9 million (Previous Financial Year: HK\$329.9 million).

For the Pharmaceuticals and medical technologies business, revenue for the Year was HK\$245.4 million, a decrease of 13.6% from HK\$283.9 million in the Previous Financial Year. Sales of Tuoping@Valsartan, our core product in the cardiovascular and cerebrovascular segment, declined by 24.8% from HK\$140.0 million in the Previous Financial Year to HK\$105.3 million for the Year, as competitors adopting low-price strategies to capture market share in centralized procurement impacted the sales of Tuoping@Valsartan. Meanwhile, another major cardiovascular product, Aceglutamide for injection, recorded sales revenue of HK\$11.5 million for the Year, an increase of 9.5% from HK\$10.5 million in the Previous Financial Year. In the pediatric segment, the key product, Tuoen@Ibuprofen, was included in the provincial centralized procurement programs such as Guangdong, with sales rising from HK\$52.7 million in the Previous Financial Year to HK\$66.7 million, an increase of 26.6%. However, other pediatric respiratory medications continued to be affected by stockpiling during the COVID-19 pandemic, with demand remaining under pressure. Sales revenue for Dex-pseudo-Chlorpheniramine Syrup and Ambroxol HCl Syrup fell from HK\$34.3 million and HK\$11.4 million in the Previous Financial Year to HK\$24.8 million and HK\$6.9 million for the Year, representing declines of 27.7% and 40.0%, respectively. During the Year, an impairment provision of HK\$14.8 million was made on the goodwill of Tianda Pharmaceuticals (Zhuhai). As a result, the pre-tax loss for the Pharmaceuticals and Medical Technologies business widened from HK\$14.7 million in the Previous Financial Year to HK\$36.2 million in the current fiscal year.

For the Chinese medicine business, revenue for the Year amounted to HK\$56.2 million (Previous Financial Year: HK\$27.1 million), representing an increase of 107.4%. The consolidation of the sales team over the past two years, coupled with high-quality customer support, has gradually yielded results and reversed the downward sales trend. Meanwhile, the launch of Tianda Chinese Medicine (Bozhou) in the second half of 2024 has opened up new business opportunities for the Group's Chinese medicine product operations. Tianda Chinese Medicine (Bozhou) generated revenue of HK\$11.8 million for the Year (Previous Financial Year: HK\$1.0 million). The pre-tax loss of the Chinese medicine business narrowed from HK\$12.2 million in the Previous Financial Year to HK\$8.4 million for the Year.

As for medical and healthcare services, revenue for the Year was HK\$21.3 million (Previous Financial Year: HK\$18.9 million). The new Chinese medicine clinic TDMall recorded revenue of HK\$16.3 million for the Year, compared to HK\$15.4 million in the Previous Financial Year. This was primarily due to contributions from the TDMall (Jordan) and TDMall (Central), which opened in October 2024 and November 2025, respectively. However, the increase was partially offset by the suspension of operations of TDMall (Tsim Sha Tsui) starting in April 2025. Meanwhile, the consolidation of the healthcare product business led to steady growth in healthcare product sales during the interim period. The pre-tax loss of the medical and healthcare services business segment narrowed from HK\$14.4 million in the Previous Financial Year to HK\$13.2 million in the Year.

Consolidated gross profit was HK\$133.3 million (Previous Financial Year: HK\$152.0 million), and the gross profit margin decreased from 46.1% in the Previous Financial Year to 41.3% in the Year. This was primarily due to fixed costs, such as depreciation of fixed assets, not decreasing in line with the decline in production volume, which led to an increase in average production costs. There was also a higher proportion of sales from the Chinese medicine business, which has lower gross margins. Selling and distribution expenses decreased from HK\$107.9 million in the Previous Financial Year to HK\$104.1 million in the Year, and the selling and distribution expense to revenue ratio decreased from 32.7% to 32.2%, representing a decrease of approximately 0.5 percentage points.

Administrative expenses amounted to HK\$74.9 million (Previous Financial Year: HK\$85.0 million). The Group continued to implement cost-cutting measures and efficiency improvements, striving to lower costs, optimize resource utilization, and control expenditures. R&D expenses for the Year amounted to HK\$8.3 million (Previous Financial Year: HK\$13.3 million). For the latest progress on major R&D projects, please refer to the Business Review section above. Other income and net gains for the Year amounted to HK\$3.1 million (Previous Financial Year: HK\$6.0 million). The decrease was primarily attributable to the decrease in bank deposit interest rates, resulting in reduced interest income from bank deposits, as well as a decrease in government subsidies received during the Year.

In summary, the loss attributable to the shareholders of the Company increased from HK\$61.4 million in the Previous Financial Year to HK\$70.0 million in the Year. Excluding the impact from the one-off non-cash impairment loss on the goodwill of HK\$14.8 million (Previous Financial Year: HK\$1.3 million), the adjusted loss attributable to shareholders of the Company would be HK\$55.2 million for the Year (Previous Financial Year: HK\$60.1 million). The change in profitability was primarily attributable to the Group's business performance analyzed above.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December, 2025, the Group held cash and cash equivalents of approximately HK\$64.8 million (31 December 2024: HK\$85.7 million), of which approximately 92.0% were denominated in Renminbi ("RMB"), with the remainder denominated in Hong Kong dollars, Australian dollars, Euros, Macau patacas, and United States dollars. As at 31 December 2025, bank borrowings due within one year and bank borrowings due within two to five years amounted to HK\$82.3 million and HK\$41.9 million, respectively, both denominated in RMB and bearing interest at rates ranging from China LPR – 0.6% to China LPR.

As at 31 December 2025, the Group recorded net current liabilities of HK\$40.7 million. During the Year, the Group has obtained new banking facilities from 6 banks. As at 31 December 2025, the unused bank credit facilities amounted to HK\$36.5 million. In addition, the Group will continue to negotiate new long-term financing arrangements with various banks to improve its liquidity position. The Group's financial position remains healthy.

As set out in Note 9 to the Consolidated Financial Statements, the Group did not comply with a financial covenant of a bank borrowing with a principal amount of RMB10 million. The Group remains active and positive communication with the relevant bank regarding financial covenant compliance. The Company considers this matter with no significant impact on the Group's overall operations.

## **FOREIGN EXCHANGE 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 its functional currency 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 31 December 2025.

## **CHARGES ON ASSETS**

As at 31 December 2025, the Group pledged certain right-of-use assets and property, plant and equipment with carrying value HK\$203.2 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 31 December 2025, the Group employed approximately 613 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.

## **CONTINGENT LIABILITIES**

As of December 31, 2025, the Group did not have any material contingent liabilities.

## **SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

As at the date of this announcement, the Group did not have any significant event subsequent to 31 December 2025.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

The Company is firmly committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance, emphasizing transparency and accountability to the shareholders.

The Company has complied with the code provisions of the Corporate Governance Code (the CG Code) in Appendix C1 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the Listing Rules) during the Year 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 has reviewed 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 for the year ended 31 December 2025.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary announcement.

## **AUDIT COMMITTEE**

The audit committee comprises three independent non-executive Directors and a non-executive Director of the Company. The audit committee has reviewed together with the management and auditor of the Company the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including inter alia, review of the financial results of the Group for the year ended 31 December 2025.

## **DIVIDEND**

The Board does not recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: nil).

## **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.

By order of the Board  
**Tianda Pharmaceuticals Limited**  
**FANG Wen Quan**  
*Chairman and Managing Director*

Hong Kong, 26 March 2026

*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 ZHU Haomiao; and the independent non-executive directors are Mr. LAM Yat Fai, Mr. CHIU Sung Hong and Dr. XIAN Yanfang.*