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李氏大藥廠

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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHT			
	For the year ended		Change
	31 December		
	2025	2024	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	1,435,980	1,399,969	+2.6%
Gross profit	729,560	753,355	-3.2%
Profit attributable to the owners of the Company	91,938	93,099	-1.2%
	<i>HK cents</i>	<i>HK cents</i>	
Earnings per share			
Basic	15.61	15.81	-1.3%
Diluted	15.61	15.81	-1.3%

The Board recommends the payment of final dividend of HK2.3 cents (2024: HK2.5 cent) per ordinary share for the year ended 31 December 2025.

* For identification purpose only

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Lee’s Pharmaceutical Holdings Limited (the “**Company**”) is pleased to present the results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2025 and the comparative figures as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Revenue	2	1,435,980	1,399,969
Cost of sales		(706,420)	(646,614)
Gross profit		729,560	753,355
Other income	3	50,669	62,450
Other gains and losses, net	4	(26,193)	(22,542)
Selling and distribution expenses		(333,980)	(387,292)
Administrative expenses		(222,981)	(195,298)
Provision for expected credit losses on financial assets, net		(160)	(13,702)
Research and development expenses		(110,957)	(83,829)
Profit from operations		85,958	113,142
Finance costs		(11,225)	(14,190)
Share of results of associates		(1,847)	(839)
Profit before taxation		72,886	98,113
Taxation	5	(22,270)	(29,501)
Profit for the year		50,616	68,612
Attributable to:			
Owners of the Company		91,938	93,099
Non-controlling interests		(41,322)	(24,487)
		50,616	68,612
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	7		
Basic		15.61	15.81
Diluted		15.61	15.81

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	50,616	68,612
Other comprehensive income/(expense):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries	68,609	(42,951)
Item that will not be reclassified subsequently to profit or loss:		
– Fair value changes of financial assets at fair value through other comprehensive income	259,256	(420,125)
	<hr/>	<hr/>
Other comprehensive income/(expense) for the year, net of tax	327,865	(463,076)
	<hr/>	<hr/>
Total comprehensive income/(expense) for the year	378,481	(394,464)
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Total comprehensive income/(expense) for the year attributable to:		
Owners of the Company	421,163	(369,919)
Non-controlling interests	(42,682)	(24,545)
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	378,481	(394,464)
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		384,727	400,586
Intangible assets		1,345,297	1,135,017
Goodwill		3,900	4,366
Interests in associates		2,359	4,206
Financial assets at fair value through profit or loss		11,539	11,185
Financial assets at fair value through other comprehensive income		534,841	269,823
Deferred tax assets		11,906	8,098
		2,294,569	1,833,281
Current assets			
Inventories		364,426	287,514
Trade receivables	8	190,707	161,096
Other receivables, deposits and prepayments		174,796	119,130
Advance to associates		–	–
Tax recoverable		358	–
Cash and cash equivalents (excluding bank overdrafts)		349,896	216,845
		1,080,183	784,585
Assets classified as held for sale		89,105	–
		1,169,288	784,585
Current liabilities			
Trade payables	9	174,634	141,967
Other payables and accruals		717,277	449,788
Bank borrowings and overdrafts		214,061	149,957
Lease liabilities		9,098	7,802
Financial guarantee liabilities		12,885	12,967
Tax payables		2,242	8,773
		1,130,197	771,254
Net current assets		39,091	13,331
Total assets less current liabilities		2,333,660	1,846,612

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital and reserves		
Share capital	29,442	29,442
Reserves	<u>2,016,360</u>	<u>1,622,357</u>
Equity attributable to the owners of the Company	2,045,802	1,651,799
Non-controlling interests	<u>(145,575)</u>	<u>(102,893)</u>
Total equity	<u>1,900,227</u>	<u>1,548,906</u>
Non-current liabilities		
Other payables and accruals	104,295	21,149
Bank borrowings	81,573	63,908
Lease liabilities	5,536	5,631
Retirement benefits	135,710	122,790
Deferred tax liabilities	<u>106,319</u>	<u>84,228</u>
	<u>433,433</u>	<u>297,706</u>
	<u>2,333,660</u>	<u>1,846,612</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to the owners of the Company								Attributable to non-controlling interests	Total	
	Share capital	Share premium	Merger difference	Share-based compensation reserve	Other reserves	Investments revaluation reserve	Exchange reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2025	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	-	-	-	515	-	-	-	-	515	-	515
Share options lapsed	-	-	-	(5,004)	-	-	-	5,004	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	91,938	91,938	(41,322)	50,616
Other comprehensive income/(expense) for the year											
- Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	69,969	-	69,969	(1,360)	68,609
- Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	-	259,256	-	-	259,256	-	259,256
Total comprehensive income/(expense) for the year	-	-	-	-	-	259,256	69,969	91,938	421,163	(42,682)	378,481
2024 final dividend paid	-	-	-	-	-	-	-	(14,721)	(14,721)	-	(14,721)
2025 interim dividend paid	-	-	-	-	-	-	-	(12,954)	(12,954)	-	(12,954)
At 31 December 2025	<u>29,442</u>	<u>720,091</u>	<u>9,200</u>	<u>42,474</u>	<u>65,315</u>	<u>(2,453,625)</u>	<u>(77,902)</u>	<u>3,710,807</u>	<u>2,045,802</u>	<u>(145,575)</u>	<u>1,900,227</u>
At 1 January 2024	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	-	-	-	406	-	-	-	-	406	-	406
Share options lapsed	-	-	-	(5,581)	-	-	-	5,581	-	-	-
Gain on partial disposal of interests in a subsidiary	-	-	-	-	22	-	-	-	22	9	31
Profit/(loss) for the year	-	-	-	-	-	-	-	93,099	93,099	(24,487)	68,612
Other comprehensive expense for the year											
- Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	(42,915)	-	(42,915)	(36)	(42,951)
- Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	-	(420,103)	-	-	(420,103)	(22)	(420,125)
Total comprehensive (expense)/income for the year	-	-	-	-	-	(420,103)	(42,915)	93,099	(369,919)	(24,545)	(394,464)
2023 final dividend paid	-	-	-	-	-	-	-	(5,888)	(5,888)	-	(5,888)
2024 interim dividend paid	-	-	-	-	-	-	-	(11,777)	(11,777)	-	(11,777)
At 31 December 2024	<u>29,442</u>	<u>720,091</u>	<u>9,200</u>	<u>46,963</u>	<u>65,315</u>	<u>(2,712,881)</u>	<u>(147,871)</u>	<u>3,641,540</u>	<u>1,651,799</u>	<u>(102,893)</u>	<u>1,548,906</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that is mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time which is mandatorily effective for the Group’s annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRSs”); Hong Kong Accounting Standards (“HKASs”); and Hong Kong (IFRIC) Interpretations, Hong Kong Interpretations and Hong Kong (SIC) Interpretations (collectively referred to as “Interpretations”).

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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 HKAS 21	Translation to Hyperinflationary Presentation Currency 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 directors of the Company anticipate that the application of all the new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold by the Group to outside customers during the year which is recognised at a point in time.

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focuses on the types of goods delivered.

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

Proprietary and generic products	–	Manufacturing and sales of self-developed and generic pharmaceutical products
Licensed-in products	–	Trading of licensed-in pharmaceutical products

In the current year, the Group acquired the intellectual property right of a licensed-in asset which resulted in changes to the composition of its reportable segments. Items related to the then licensed-in asset are reclassified to the proprietary and generic products segment. Prior year segment disclosures have been represented to conform with the current year's presentation.

Segment revenue and results

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

	Proprietary and generic products		Licensed-in products		Consolidated	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue	871,645	846,732	564,335	553,237	1,435,980	1,399,969
Segment operating results	156,846	167,850	102,398	90,028	259,244	257,878
Research and development expenses	(92,263)	(62,034)	(18,694)	(21,795)	(110,957)	(83,829)
Impairment of intangible assets	(16,053)	–	–	(19,195)	(16,053)	(19,195)
Write-off of intangible assets	–	–	–	–	–	–
Segment results	48,530	105,816	83,704	49,038	132,234	154,854
Unallocated income					16,660	21,053
Unallocated expenses					(62,936)	(62,765)
Profit from operations					85,958	113,142
Finance costs					(11,225)	(14,190)
Profit before share of results of associates					74,733	98,952
Share of results of associates					(1,847)	(839)
Profit before taxation					72,886	98,113
Taxation					(22,270)	(29,501)
Profit for the year					50,616	68,612

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2024: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by each segment without allocation of central administration costs including directors' emoluments, certain transactions with investees, fair value changes of certain financial instruments at fair value through profit or loss, impairment loss and expected credit losses provision on unallocated assets, foreign exchange gain/loss, certain provision for expected credit losses, interest income, finance costs, share of results of associates, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

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

	Proprietary and generic products		Licensed-in products		Consolidated	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment assets	1,649,682	1,218,888	930,127	903,017	2,579,809	2,121,905
Unallocated assets					884,048	495,961
Total assets					<u>3,463,857</u>	<u>2,617,866</u>
Segment liabilities	592,252	281,838	425,629	337,009	1,017,881	618,847
Unallocated liabilities					545,749	450,113
Total liabilities					<u>1,563,630</u>	<u>1,068,960</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, deferred tax assets, assets classified as held for sale, certain right-of-use assets and financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, assets related to central administration and unallocated cash-generating units, balances with associates and certain investees, tax recoverable and cash and bank balances; and
- all liabilities are allocated to operating segments other than bank borrowings and overdrafts, liabilities related to central administration and unallocated cash-generating units, financial guarantee liabilities, tax payables, deferred tax liabilities and retirement benefits.

Other segment information (included in the measure of segment profit or loss, segment assets and liabilities or regularly provided to the chief operating decision maker)

	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
Depreciation of property, plant and equipment (including right-of-use assets)	41,329	44,183	27,923	32,525	69,252	76,708
Amortisation of intangible assets	61,584	47,250	24,814	23,773	86,398	71,023
Additions to non-current assets (Property, plant and equipment, and intangible assets) during the year	356,910	117,852	25,830	113,042	382,740	230,894
Impairment of intangible assets	16,053	–	–	19,195	16,053	19,195
Write-off of intangible assets	–	–	–	–	–	–

Geographical information

During the years ended 31 December 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"), therefore no geographical information on revenue is presented.

The following is an analysis of the Group's assets and liabilities by geographical markets:

	The PRC		Hong Kong and others		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets	2,138,424	1,843,575	1,325,433	774,291	3,463,857	2,617,866
Total liabilities	793,795	594,403	769,835	474,557	1,563,630	1,068,960

3. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividend income	87	–
Interest income on bank deposits	1,781	2,133
Government and development grants	9,130	4,211
Licensing income	1,397	877
Milestone income	–	10,207
Operating subsidy income	5,206	–
Rental and utilities income	13,943	14,609
Research and development service income	–	13,928
Sales of clinical trial materials	6,557	–
Sundry income	12,568	16,485
	<u>50,669</u>	<u>62,450</u>

Milestone income refers to the performance-linked income associated with the disposal of intangible assets, details of which were disclosed in the announcement of the Company dated 13 November 2023.

The operating subsidy income represents financial contributions received from an independent third party to support the Group's certain operating activities. The subsidies are non-government in nature and are recognised in profit or loss when the relevant conditions are fulfilled.

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

4. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value gain/(loss) in respect of financial assets at fair value through profit or loss, net	354	(379)
(Loss)/Gain on disposal of		
– Property, plant and equipment, net	(198)	137
Impairment loss recognised in respect of		
– Intangible assets	(16,053)	(19,195)
– Goodwill	(466)	–
– Right-of-use assets	–	(6,705)
Write-off of		
– Property, plant and equipment	(2)	(14)
– Intangible assets	–	–
Foreign exchange (loss)/gain, net	(9,828)	3,614
	<u>(26,193)</u>	<u>(22,542)</u>

5. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax	2,791	6,588
PRC Enterprise Income Tax	4,680	1,531
	<u>7,471</u>	<u>8,119</u>
Under provision in prior years		
Hong Kong Profits Tax	1,150	995
PRC Enterprise Income Tax	15	4,985
	<u>1,165</u>	<u>5,980</u>
Deferred tax		
Origination of temporary differences	13,634	15,402
	<u>22,270</u>	<u>29,501</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.

6. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2025 interim dividend HK\$0.022 (2024: 2024 interim dividend HK\$0.020) per share	12,954	11,777
2024 final dividend HK\$0.025 (2024: 2023 final dividend HK\$0.010) per share	14,721	5,888
	<u>27,675</u>	<u>17,665</u>

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2025 of HK2.3 cents per share (2024: final dividend in respect of the year ended 31 December 2024 of HK2.5 cent per share), in an aggregate amount of HK\$13,543,000 (2024: HK\$14,721,000) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting, and is not included as a dividend payable in the consolidated statement of financial position as at 31 December 2025.

7. EARNINGS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings:		
Net profit attributable to the owners of the Company for the purpose of basic and diluted earnings per share	<u>91,938</u>	<u>93,099</u>
	2025 <i>Share(s)'000</i>	2024 <i>Share(s)'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	588,835	588,835
Effect of dilutive potential ordinary shares:		
Options	<u>195</u>	<u>–</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>589,030</u>	<u>588,835</u>

8. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	192,804	163,593
Less: Allowances for expected credit losses (“ECL”)	<u>(2,097)</u>	<u>(2,497)</u>
	<u>190,707</u>	<u>161,096</u>

The credit period on sales of goods is 30–120 days. The Group has recognised an allowance for ECL of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for ECL are recognised against trade receivables over 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty’s current financial position.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	99,229	96,139
31–120 days	89,778	62,245
121–180 days	1,048	2,446
181–365 days	633	266
Over 365 days and under 3 years	19	–
	<u>190,707</u>	<u>161,096</u>

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for ECL because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging analysis of receivables that are past due but no allowance for ECL provided

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Overdue by:		
1–180 days	58,940	51,169
181–365 days	256	266
	<u>59,196</u>	<u>51,435</u>

Movement in allowance for ECL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year	2,497	1,921
Exchange rate adjustments	126	(81)
Write-off	(362)	(78)
(Credit)/Charge to profit or loss for the year	(164)	735
Balance at end of the year	<u>2,097</u>	<u>2,497</u>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Aging analysis of receivables that are past due and allowance for ECL provided

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Overdue by:		
181–365 days	256	266
Over 365 days and under 3 years	<u>1,841</u>	<u>2,231</u>
	<u>2,097</u>	<u>2,497</u>

9. TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–90 days	134,786	127,414
91–180 days	26,198	13,573
181–365 days	13,417	450
Over 365 days	<u>233</u>	<u>530</u>
	<u>174,634</u>	<u>141,967</u>

The average credit period on purchases of goods is 90 days. The Group has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue and Profit

The Group recorded revenue of HK\$1,435,980,000 for the year ended 31 December 2025 (the “**Reporting Year**”), representing an increase of 2.6% compared with HK\$1,399,969,000 in the prior year. Sales of licensed-in products amounted to HK\$564,335,000 (2024: HK\$553,237,000), contributing 39.3% (2024: 39.5%) of the Group’s total revenue. Proprietary and generic products achieved combined sales of HK\$871,645,000 (2024: HK\$846,732,000), representing 60.7% (2024: 60.5%) of the Group’s revenue.

Licensed-in products delivered steady progress in fiscal year (“**FY**”) 2025, with several key products achieving notable growth. Bredinin[®] extended its growth trajectory, achieving a 10.3% increase in sales to HK\$147.5 million. Ferplex[®] strengthened its position as a major revenue driver, surging 30.3% to HK\$242.0 million. Teglutik[®] maintained positive momentum with an 8.0% increase to HK\$22.4 million. Certain products contributed less during the Reporting Year, including Trittico[®], which contracted 15.3% to HK\$102.2 million, while Gaslon[®] declined following the termination of its license. Overall, licensed-in products generated HK\$564.3 million in revenue, representing a modest 2.0% year-on-year increase.

Proprietary products maintained a stable contribution in FY2025. Nadroparin Calcium Injection (立騰菁[®]), a volume-based procurement (“**VBP**”) product, maintained its growth trajectory, rising 11.3% to HK\$214.4 million. Slounase[®] contributed HK\$71.3 million, while Socazolimab Injection (善克鈺[®]) recorded HK\$52.6 million. Yallaferon[®] remained one of the largest revenue contributors at HK\$230.2 million, reflecting a normalisation after a strong prior year. Overall, proprietary products generated HK\$568.5 million in revenue, representing a moderated performance compared with the prior year.

Generic products performed strongly, with total sales increasing 18.6% to HK\$303.1 million. Treprostini Injection (芮旋爾[®]) led the growth, advancing 21.2% to HK\$223.6 million. Fondaparinux Sodium Injection (立暢青[®]) also delivered robust growth of 36.1%, reaching HK\$57.3 million. Additional contributions came from Azilsartan Tablets (憩曇平[®]) at HK\$19.3 million.

The Group consolidated its prior year’s strong revenue growth with a steady performance in FY2025, reflecting resilience and stability amid portfolio transitions. By enriching its product mix across licensed-in, proprietary, and generic offerings, the Group has built a diversified portfolio that not only sustained momentum during the year but also laid a solid foundation for long term, sustainable growth.

Despite the revenue growth, gross profit decreased to HK\$729,560,000 (FY2024: HK\$753,355,000), with the gross profit margin narrowing to 50.8% (FY2024: 53.8%). This decline was primarily attributable to the composition of sales growth, which was more weighted toward products under the VBP programme. As these products typically carry lower profit margins, the shift in sales mix placed some pressure on overall profitability. In addition, the appreciation of the euro during the year increased the cost of certain imported licensed-in products, contributing to the moderation in gross profit and margin despite the modest increase in revenue.

Key research and development (“**R&D**”) activities of the Group included the development of new drugs across major therapeutic areas such as cardiovascular health, women’s health, paediatrics, rare diseases, dermatology, and obstetrics, with oncology handled by a dedicated R&D arm. The Group invested a total of HK\$359,812,000 in R&D activities during the Reporting Year, representing 25.1% of annual revenue (FY2024: HK\$193,085,000 or 13.8% of revenue). Of this amount, HK\$110,957,000 (FY2024: HK\$83,829,000) was expensed, while HK\$248,855,000 (FY2024: HK\$109,256,000) was capitalised as intangible assets. Capitalised items during the Reporting Year included HK\$135,606,000 related to scaling up PD-L1 production, a strategic initiative carried out across two contract manufacturing organisation (CMO) sites. The investment is aimed at expanding manufacturing capacity, reducing unit production costs and enhancing the competitiveness of this key immunotherapy product in the market.

The Group’s selling and distribution expenses amounted to HK\$333,980,000 during the Reporting Year, representing a decrease of HK\$53,312,000 or 13.8% compared with HK\$387,292,000 in the prior year. The selling expenses to revenue ratio improved to 23.3% from 27.7% in FY2024, demonstrating the Group’s more efficient allocation of resources. The reduction was mainly attributable to certain one-off launch and promotional activities for new products undertaken in the prior year which did not recur in the Reporting Year. Meanwhile, ongoing investments continued to focus on strengthening distribution channels and executing targeted brand-building initiatives for selected products.

During the Reporting Year, the Group’s administrative expenses totalled HK\$222,981,000, representing an increase of HK\$27,683,000 or 14.2% compared with HK\$195,298,000 in the prior year. The increase was largely in line with the Group’s overall administrative cost growth and mainly reflected additional administrative expenses arising from the U.S. operations, together with higher professional fees incurred in relation to the acquisition of U.S.-based assets during the Reporting Year. The Group remains focused on operating efficiently and effectively, implementing cost-saving measures to enhance performance and profitability while maintaining prudent control over expenditure.

The net profit attributable to the owners of the Company in FY2025 was HK\$91,938,000, representing a decrease of HK\$1,161,000 from HK\$93,099,000 in FY2024. This reflects the combined impact of challenging market conditions and increased R&D expenditure, that offset the benefits of revenue growth and reduced selling expenses, leading to a year-on-year softening net profit.

Manufacturing Facilities and Production Capability

The Group's manufacturing facilities continued to enhance production capabilities and efficiency, achieving further improvements in scale, reliability, and output quality.

At the Hefei site, the new pre-filled production line features a high degree of automation, effectively minimising human intervention, 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 Hefei facility delivered another strong year in FY2025, with total production volume rising by 10% compared with the prior year, including an 18% surge in pre-filled syringe output. This growth was driven by production mode optimisation, improved yields, and efficient equipment maintenance.

The Nansha site placed greater emphasis on enhancing manufacturing efficiency. This included scaling up the production of Azilsartan Tablets (憩曇平®), 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 in China remain committed to advancing production by improving yields, enhancing energy efficiency, reducing costs, and strengthening overall operational performance to meet the demands of an evolving market environment.

During the Reporting Year, a significant milestone heralded a new era for the Group, as it established its U.S. presence by expanding manufacturing operations with the capacity to serve markets beyond China.

On 8 December 2025, the Group entered into an Asset Purchase Agreement to acquire certain U.S.-based assets for a total consideration of US\$15 million (approximately HK\$117 million). The acquisition includes intellectual property, inventories, equipment, regulatory documents, and permits related to the Staccato® One Breath Technology® platform. This transaction enhances the Group's aerosolised drug delivery capabilities, expands its pipeline in central nervous system and oncology indications, and supports its global expansion strategy.

Following the acquisition, on 29 December 2025, the U.S. Food and Drug Administration (FDA) approved the supplemental new drug application (sNDA) for ADASUVE® (loxapine) Inhalation Powder, a single-dose, single-use drug-device combination product. The approval authorises the relocation of the commercial manufacturing site from Mountain View, California to Fremont, California, under Section 505(b)(2) of the U.S. Federal Food, Drug, and Cosmetic Act.

With the addition of the Fremont facility, the Group now operates manufacturing sites in both China and the U.S., creating a more diversified and resilient production network that reinforcing its commitment to growth and innovation.

Drug Development

The Group continues to maintain a robust and well-balanced project pipeline, spanning early- to late-stage development, with a focus on selecting and advancing high-potential opportunities. In FY2025, the pipeline was further strengthened through disciplined selection and progression of projects, reinforcing the Group's commitment to sustainable innovation and long-term growth.

Major Therapeutic Areas

The Group is advancing a diverse pipeline across major therapeutic areas, including cardiovascular health, women's health, paediatrics, rare diseases, dermatology, and obstetrics. Late-stage programs underway include (1) the Abbreviated New Drug Application ("ANDA") for Melphalan Hydrochloride for Injection; and (2) the ANDA for Mesalazine API import registration. The Group is also pursuing rare disease projects, such as Neridronate Sodium for Osteogenesis imperfecta and Anfibatide for Thrombotic Thrombocytopenic Purpura, alongside oncology pain management initiatives featuring a Fentanyl drug-device combination. Additionally, the U.S.-based asset purchase brings Global Phase I and II assets based on Staccato[®] One Breath Technology[®], including Apomorphine, Granisetron and Pramipexole, to further strengthen the Group's R&D portfolio.

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 (善克鈺[®]) 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 (善克鈺[®]), 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. on the 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, initiated in July 2024, is currently in progress.

Furthermore, with its diverse asset portfolio, including monoclonal antibody and cytotoxic payloads, the Group has established the foundation for Antibody-Drug Conjugates (“ADC”) development, opening new avenues for targeted cancer therapies within the Group’s oncology strategy. Building on this capability, the Group is currently advancing several monospecific and bispecific ADC molecules, marking a significant step toward expanding its innovation pipeline in immuno-oncology.

New Products Approval

Save for Socazolimab Injection (善克鈺®) as mentioned above, the Group obtained registration approvals from the NMPA during the Reporting Year and to date, as set out below.

Ciprofloxacin Hydrochloride and Fluocinolone Acetonide Ear Drops

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

Sugammadex Sodium Injection

In September 2025, Sugammadex Sodium Injection was granted ANDA approval by the NMPA and for the reversal of neuromuscular blockade induced by rocuronium or vecuronium in adults.

Intrarosa®

In March 2026, Intrarosa® was granted the drug registration certificate by the NMPA for the treatment of vulvovaginal atrophy (VVA). Intrarosa® contains prasterone (dehydroepiandrosterone, DHEA), an inactive endogenous steroid converted locally into androgens and estrogens to help restore vaginal tissue.

Sales and Marketing

During the Reporting Year, the Group’s sales and marketing activities reflected the breadth of its product portfolio and the diverse capabilities required of its marketing organisation. With a total of over 25 commercialised products across therapeutic areas, the Group’s marketing model emphasises versatility and adaptability to meet evolving market needs. The distribution of marketing output ensured balanced coverage across core products while maintaining flexibility to support additional offerings.

Ferplex[®], Yallaferon, Treprostinil Injection (芮旒爾[®]), and Nadroparin Calcium Injection (立騰菁[®]), each exceeding HK\$200 million in annual revenue, formed the backbone of the Group's revenue base. Mid-tier contributors such as Bredinin[®] and Trittico[®], each surpassing HK\$100 million in annual revenue, also provided stable streams and further diversified the portfolio. Compared with prior years, the Group now benefits from a more diversified product mix and does not rely on a single blockbuster product, thereby reducing short-term risks of major imbalance in sales performance.

A total of 10 products are currently listed in the updated National Reimbursement Drug List (“NRDL”), highlighting the Group's continued commitment to expanding market access and enhancing patient affordability. This strong presence provides a solid foundation for driving long-term value creation while deepening market engagement and strengthening the Group's competitive position.

PROSPECT

The Group approaches FY2026 with cautious optimism, having delivered sustained revenue growth in FY2025 despite mounting industry challenges. Profit margin pressures remain a key concern, particularly as more products are expected to enter the VBP program or undergo national reimbursement negotiations. While such policy developments may introduce pricing constraints, they also create opportunities to expand market access, enhance patient affordability, and drive higher sales volumes.

China's 2026 Government Work Plan, announced during the “Two Sessions,” sets out a comprehensive agenda for healthcare reform. Key priorities include strengthening the public health system, deepening public hospitals reform, expanding grassroots medical services, and improving medical insurance coverage. The Work Plan also highlights the optimisation of VBP program, promotion of innovative drugs and medical devices, and the application of artificial intelligence in healthcare. In addition, policies addressing the aging population, fertility, and biomedicine innovation, alongside further opening to foreign investment, will shape the operating environment for pharmaceutical companies. These developments underscore both the opportunities and challenges facing the Group in the years ahead.

Against this backdrop, cost control will remain a central focus. The Group will continue to pursue operational efficiency and disciplined cash management, ensuring that resources are deployed prudently while non-essential spending is tightly managed. At the same time, the Group is equally committed to “growing the top line” by maximising the commercial potential of its existing portfolio, strengthening execution in key markets and driving high-quality revenue growth. Sales and marketing will play a pivotal role in this regard. The Group Commercial Operations Centre (GCOC) has delivered compound revenue growth ahead of industry peers, establishing mature capabilities in commercialising a diversified product matrix and safeguarding product asset value. With the biopharmaceutical innovation sector experiencing rapid expansion and increasingly polarised market dynamics, the GCOC will continue to focus on deepening market penetration of core products, optimising portfolio mix, and capturing new demand segments, while maintaining cost discipline in channel, promotion and field force deployment to enhance overall operating leverage.

In parallel, R&D investment will remain selective and returns-driven, with an emphasis on advancing projects with clear commercial visibility and actively exploring licensing-out opportunities that can unlock value, generate additional income streams and support future innovation.

Looking forward, the Group's new U.S. manufacturing site in Fremont will be a strategic priority. The site has recently commenced production of process performance qualification (PPQ) batches, and the Group is working diligently to ensure smooth operations and timely readiness for potential commercial supply. The facility has the potential to become a significant profit growth driver if the business partner's product achieves clinical trial success and subsequent market launch.

Despite the challenges of margin pressure, regulatory change, and rising costs, the Group remains confident in its ability to deliver stable, high-quality, and safe commercialisation outcomes. By leveraging its diversified portfolio, disciplined management, and strategic investments, the Group is well positioned to capture emerging opportunities, reinforce its competitive advantage, and create long term value in an evolving healthcare landscape.

FINAL DIVIDEND

The Board recommended a final dividend of HK\$0.023 (2024: HK\$0.025) per share to shareholders registered in the Company's register of members as at the close of business on Monday, 1 June 2026.

ANNUAL GENERAL MEETING

The annual general meeting of the Company was scheduled to be held on Thursday, 21 May 2026 ("AGM"). The notice of AGM will be issued to shareholders of the Company and published on the Company's website at www.leespharm.com and the designated website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk in due course.

CLOSURE OF REGISTER OF MEMBERS

(a) AGM

The register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026 (both days inclusive), during which period no transfer of shares will be effected for determining the shareholders who are entitled to attend and vote at the AGM.

In order to qualify for the right to attend and vote at the AGM, all transfer documents 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 for registration not later than 4:30 p.m. on Friday, 15 May 2026.

(b) Payment of the proposed final dividend

The register of members of the Company will be closed from Friday, 29 May 2026 to Monday, 1 June 2026 (both days inclusive), during which period no transfer of shares will be effected for determining the shareholders who are entitled for the proposed final dividend for the year ended 31 December 2025.

In order to qualify for the proposed final dividend for the year ended 31 December 2025, all transfer documents 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 for registration not later than 4:30 p.m. on Thursday, 28 May 2026.

Subject to shareholders’ approval of the proposed final dividend of shares at the AGM, the final dividend is payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 1 June 2026. The final dividend will be paid on Monday, 15 June 2026.

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 year ended 31 December 2025.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

During the year ended 31 December 2025, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). The Company has made specific enquiries to all Directors, and the Company was not aware of any non-compliance with the Model Code and required standard of dealing throughout the year ended 31 December 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 year ended 31 December 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.

Detailed corporate governance practices will be stated in the annual report of the Company for the year ended 31 December 2025.

REVIEW OF ANNUAL RESULTS

The Group's annual results (including the audited consolidated financial statements) for the year ended 31 December 2025 including the accounting principles and practices adopted have been reviewed by the audit committee which consists of three independent non-executive Directors, namely, Dr. Chan Yau Ching, Bob, Ms. Cheang Yee Wah, Eva and Dr. Tsim Wah Keung, Karl.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY INDEPENDENT AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's independent auditor, Confucius International CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Confucius International CPA Limited 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 assurance has been expressed by Confucius International CPA Limited on this preliminary results announcement.

PUBLICATION OF FINANCIAL INFORMATION

The annual report of the Company for the year ended 31 December 2025 containing all the detailed information will be dispatched to the shareholders of the Company and published on the Company's website at www.leespharm.com and the designated website of the Stock Exchange at www.hkexnews.hk in due course.

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

Hong Kong, 30 March 2026

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.