天大藥業有限公司
TIANDA PHARMACEUTICALS LIMITED

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

**(Stock Code: 00455)**

# 2026 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 2026 as follows:

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

*For the six months ended 30 June 2026*

| | | Six months ended 30 June | |
|---|---|---|---|
| | *Notes* | **2026** | 2025 |
| | | ***HK$'000*** | *HK$'000* |
| | | **(Unaudited)** | (Unaudited) |
| **REVENUE** | 4 | **164,222** | 136,635 |
| Cost of sales | | **(98,078)** | (80,051) |
| Gross profit | | **66,144** | 56,584 |
| Other income, gains and losses, net | | **578** | 1,472 |
| Selling and distribution expenses | | **(53,999)** | (47,101) |
| Administrative expenses | | **(39,130)** | (37,101) |
| Research and development expenses | | **(2,713)** | (5,954) |
| Finance costs | | **(2,117)** | (1,826) |
| **LOSS BEFORE TAX** | 5 | **(31,237)** | (33,926) |
| Income tax | 6 | **(985)** | 425 |
| **LOSS FOR THE PERIOD** | | **(32,222)** | (33,501) |
| **OTHER COMPREHENSIVE INCOME** | | | |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | | |
| Exchange differences on translation of the Company's financial statements | | **749** | 919 |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | | |
| Exchange differences on translation of subsidiaries' financial statements | | **16,296** | 12,417 |
| **OTHER COMPREHENSIVE INCOME FOR THE PERIOD** | | **17,045** | 13,336 |
| **TOTAL COMPREHENSIVE LOSS FOR THE PERIOD** | | **(15,177)** | (20,165) |

| | Note | Six months ended 30 June **2026** ***HK$'000*** **(Unaudited)** | 2025 *HK$'000* (Unaudited) |
|---|---|---|---|
| (Loss)/profit for the period attributable to: | | | |
| Shareholders of the Company | | **(32,250)** | (33,237) |
| Non-controlling interests | | **28** | (264) |
| | | **(32,222)** | (33,501) |
| Total comprehensive income/(loss) attributable to: | | | |
| Shareholders of the Company | | **(15,205)** | (19,901) |
| Non-controlling interests | | **28** | (264) |
| | | **(15,177)** | (20,165) |
| | | ***HK Cent*** | *HK Cent* |
| **LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY** | | | |
| Basic and diluted | 7 | **(1.50)** | (1.55) |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 June 2026*

| | Notes | **30 June 2026 HK$'000 (Unaudited)** | 31 December 2025 HK$'000 (Audited) (restated) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 9 | **344,100** | 344,879 |
| Right-of-use assets | | **38,504** | 39,783 |
| Goodwill | | **83,048** | 79,891 |
| Other intangible assets | | **71,780** | 68,741 |
| Deposits paid for the acquisition of property plant and equipment and other intangible assets | | **17,717** | 16,874 |
| Total non-current assets | | **555,149** | 550,168 |
| **CURRENT ASSETS** | | | |
| Inventories | | **57,906** | 44,688 |
| Trade and bills receivables | 10 | **79,075** | 76,527 |
| Prepayments, deposits and other receivables | | **10,933** | 11,634 |
| Structured deposits at fair value through profit or loss | | **5,789** | – |
| Cash and bank balances | | **39,327** | 64,808 |
| Total current assets | | **193,030** | 197,657 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 11 | **94,933** | 93,963 |
| Other payables and accruals | | **58,863** | 57,260 |
| Income tax payables | | **433** | 431 |
| Bank borrowings | | **123,299** | 82,321 |
| Lease liabilities | | **4,648** | 4,348 |
| Total current liabilities | | **282,176** | 238,323 |
| **NET CURRENT LIABILITIES** | | **(89,146)** | (40,666) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **466,003** | 509,502 |

| | 30 June 2026 HK$'000 (Unaudited) | 31 December 2025 HK$'000 (Audited) (restated) |
|---|---|---|
| **NON-CURRENT LIABILITIES** | | |
| Bank borrowings | **15,641** | 41,917 |
| Lease liabilities | **1,756** | 4,072 |
| Deferred income | **682** | 779 |
| Deferred tax liabilities | **6,737** | 6,370 |
| Total non-current liabilities | **24,816** | 53,138 |
| **NET ASSETS** | **441,187** | 456,364 |
| **EQUITY** | | |
| Equity attributable to shareholders of the Company: | | |
| Issued capital | **215,004** | 215,004 |
| Reserves | **226,435** | 241,640 |
| | **441,439** | 456,644 |
| Non-controlling interests | **(252)** | (280) |
| **TOTAL EQUITY** | **441,187** | 456,364 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the six months ended 30 June 2026*

### 1. BASIS OF PRESENTATION AND PREPARATION

**Basis of presentation**

The unaudited interim condensed consolidated financial information has been prepared on the going concern basis notwithstanding that the Group had net current liabilities of approximately HK$89.1 million as at 30 June 2026 and reported a net loss of approximately HK$32.2 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 of the date of approval of this announcement, the Group has a revolving credit facility of RMB100.0 million, of which RMB10.2 million remains undrawn. The facility is secured and has a term of two years, expiring on 28 December 2027. The Group may extend the overall repayment period through revolving drawdowns and repayments under the facility. In addition, as of the date of approval of this announcement, the Group has other undrawn credit facilities amounting to RMB3.64 million;

(b) The Group is continuing to advance its credit loan application process and has made positive progress. The Group expects to be able to obtain sufficient funding on or before the maturity date through the refinancing or renewal of bank borrowings;

(c) The Group expects sales revenue to increase and will implement a performance-based remuneration scheme to incentivize its sales personnel, while strengthening marketing and promotional activities to enhance the market penetration of the Group's products. At the same time, the Group will continue to implement cost-saving measures and strengthen cost controls over operating expenses. As a result, operating cash flow is expected to improve.

**Basis of preparation**

The interim condensed consolidated financial information for the six months ended 30 June 2026 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 2025.

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.

## 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 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | *Amendments to the Classification and Measurement of Financial Instruments* |
| Amendments to HKFRS 9 and HKFRS 7 | *Contracts Referencing Nature-dependent Electricity* |
| Annual Improvements to *HKFRS Accounting Standards – Volume 11* | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 |

The application of the above amended HKFRS Accounting Standards 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 2026**

| | Chinese medicine business<br>*HK$'000*<br>(Unaudited) | Pharmaceuticals and medical technologies business<br>*HK$'000*<br>(Unaudited) | Medical and healthcare services<br>*HK$'000*<br>(Unaudited) | Total<br>*HK$'000*<br>(Unaudited) |
|---|---|---|---|---|
| **Segment revenue** *(note 4)*: | | | | |
| Sales to external customers | 37,766 | 118,066 | 8,390 | 164,222 |
| Intersegment sales | 808 | 1,361 | - | 2,169 |
| | 38,574 | 119,427 | 8,390 | 166,391 |
| *Reconciliation:* | | | | |
| Elimination of intersegment sales | | | | (2,169) |
| Revenue reported in the condensed consolidated statement of profit or loss and other comprehensive income | | | | 164,222 |
| **Segment results** | (4,800) | (14,591) | (6,554) | (25,945) |
| *Reconciliation:* | | | | |
| Unallocated other income, gains and losses, net | | | | 51 |
| Corporate and other unallocated expenses | | | | (5,343) |
| Loss before tax reported in the condensed consolidated statement of profit or loss and other comprehensive income | | | | (31,237) |

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) |
|---|---|---|---|---|
| **Segment revenue** *(note 4)*: | | | | |
| Sales to external customers | 18,822 | 106,428 | 11,385 | 136,635 |
| Intersegment sales | 1,182 | 2,919 | – | 4,101 |
| | 20,004 | 109,347 | 11,385 | 140,736 |
| *Reconciliation:* | | | | |
| Elimination of intersegment sales | | | | (4,101) |
| Revenue reported in the condensed consolidated statement of profit or loss and other comprehensive income | | | | 136,635 |
| **Segment results** | (4,156) | (17,164) | (6,889) | (28,209) |
| *Reconciliation:* | | | | |
| Unallocated other income, gains and losses, net | | | | 131 |
| Corporate and other unallocated expenses | | | | (5,848) |
| Loss before tax reported in the condensed consolidated statement of profit or loss and other comprehensive income | | | | (33,926) |

## 4. REVENUE

Revenue of the Group for each of the six months ended 30 June 2026 and 2025 was all revenue from contracts with customers. The following tables set out the disaggregated revenue information for revenue from contracts with customers:

**Six months ended 30 June 2026**

| Segments | 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) |
|---|---|---|---|---|
| **Types of goods or services** | | | | |
| Sale of pharmaceutical and biotechnology products | – | 112,096 | – | 112,096 |
| Sale of healthcare products | – | 1,681 | 1,624 | 3,305 |
| Sale of Chinese medicine products | 37,766 | – | 4,479 | 42,245 |
| Chinese medical services | – | – | 2,287 | 2,287 |
| Provision of contract development and manufacturing organisation ("CDMO") services | – | 4,289 | – | 4,289 |
| Total revenue from contracts with customers | 37,766 | 118,066 | 8,390 | 164,222 |
| **Geographical markets** | | | | |
| Chinese Mainland | 37,766 | 118,065 | 4,977 | 160,808 |
| Hong Kong | – | 1 | 2,886 | 2,887 |
| Australia | – | – | 527 | 527 |
| Total revenue from contracts with customers | 37,766 | 118,066 | 8,390 | 164,222 |
| **Timing of revenue recognition** | | | | |
| Goods transferred at a point in time | 37,766 | 113,777 | 6,103 | 157,646 |
| Services rendered over time | – | 4,289 | 2,287 | 6,576 |
| Total revenue from contracts with customers | 37,766 | 118,066 | 8,390 | 164,222 |

For the six months ended 30 June 2025

| **Segments** | 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) |
|---|---|---|---|---|
| **Types of goods or services** | | | | |
| 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 |
| CDMO services | – | 1,910 | – | 1,910 |
| Total revenue from contracts with customers | 18,822 | 106,428 | 11,385 | 136,635 |
| **Geographical markets** | | | | |
| Chinese Mainland | 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 | 18,822 | 106,428 | 11,385 | 136,635 |
| **Timing of revenue recognition** | | | | |
| 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 | 18,822 | 106,428 | 11,385 | 136,635 |

## 5. LOSS BEFORE TAX

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Cost of inventories sold | **96,227** | 77,417 |
| Cost of CDMO services | **1,851** | 2,634 |
| Depreciation of property, plant and equipment | **15,733** | 14,613 |
| Depreciation of right-of-use assets | **2,582** | 2,794 |
| Amortisation of other intangible assets | **2,171** | 1,476 |
| Impairment/(reversal of impairment) of financial assets, net: | | |
| Trade receivables | **274** | (17) |
| Deposits and other receivables | **(2)** | (1) |
| | **272** | (18) |

## 6. INCOME TAX

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Current – Chinese Mainland | | |
| Charge for the period | **–** | – |
| Underprovision/(overprovision) in prior periods | **859** | (274) |
| Deferred tax | **126** | (151) |
| Total tax expense/(credit) for the period | **985** | (425) |

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 (2025: Nil). Tax on profits assessable in Chinese Mainland has been calculated at the applicable Chinese Mainland corporate income tax ("CIT") rate of 25% (2025: 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 2028. 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 (2025: 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 for the period attributable to the shareholders of the Company of HK$32,250,000 (six months ended 30 June 2025: HK$33,237,000), and the weighted average number of ordinary shares of 2,150,041,884 (2025: 2,150,041,884) outstanding 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 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during these periods.

## 8. DIVIDENDS

The board of directors of the Company resolved not to declare any interim dividend for the period (2025: Nil).

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment of HK$2,269,000 (2025: HK$6,130,000). In addition, the Group has disposed of certain items of property, plant and equipment with an aggregate carrying amount of HK$55,000 (2025: HK$106,000), resulting in a loss on disposal of HK$35,000 for the current reporting period (2025: HK$106,000).

## 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:

| | **30 June 2026** *HK$'000* **(Unaudited)** | 31 December 2025 *HK$'000* (Audited) (restated) |
|---|---|---|
| Within 2 months | **48,553** | 53,425 |
| 2 to 3 months | **11,004** | 3,848 |
| Over 3 months | **19,518** | 19,254 |
| | **79,075** | 76,527 |

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.

Included in the Group's trade and bills receivables as at 30 June 2026 are trade receivables of HK$1,000 (31 December 2025: HK$9,000) and HK$28,000 (31 December 2025: HK$39,000) due from the ultimate holding company and fellow subsidiaries, respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

## 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:

| | 30 June 2026 *HK$'000* (Unaudited) | 31 December 2025 *HK$'000* (Audited) (restated) |
|---|---|---|
| Within 2 months | **50,633** | 58,265 |
| 2 to 3 months | **5,496** | 3,399 |
| Over 3 months | **38,804** | 32,299 |
| | **94,933** | 93,963 |

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

Included in the Group's trade payables as at 30 June 2026 are amounts of HK$2,000 (31 December 2025: HK$5,000) and HK$18,400,000 (31 December 2025: HK$14,654,000) due to ultimate holding company and fellow subsidiaries, respectively.

## 12. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the six months ended 30 June 2026 (the "Interim Period"), the Group continued to optimize its sales strategies, integrate its resources, and enhance operational efficiency in order to consolidate the market foundation of its core products, expanding diversified channels, advancing innovative R&D of traditional Chinese medicine and establishment of product pipeline, refining its full industrial chain layout in traditional Chinese medicine. During the period, the Group strengthened its refined management, cost reduction and efficiency improvements, resulting in double-digit growth in overall revenue with improved operational quality.

In the areas of pharmaceuticals and medical technology, the Group focused on consolidating the market share of its core products, while accelerating market access and terminal coverage for new products, gradually forming a growth momentum supported by both existing and new products. Following the renewal tender for Tuoping®Valsartan capsules, the core cardiovascular and cerebrovascular product, in the national alliance's centralized bulk procurement ("Centralized Procurement"), we continued to promote market access and terminal coverage in the winning regions, maintaining a stable market share; meanwhile, the pediatric medication series Tuoen®Ibuprofen continued to expand into medical and retail channels. Regarding new products, the Metformin Hydrochloride and Empagliflozin tablets, as well as Bisoprolol Fumarate and Amlodipine Besilate tablets successfully won the bids in the National Centralized Drug Procurement, with rapid revenue growth in the first half of the year and gradually becoming a new source of revenue for the chronic disease, and cardiovascular and cerebrovascular diseases medication business. Moreover, products such as Montelukast Sodium granules were gradually launched and rolled out across the market, enriching the Group's product portfolio in areas such as pediatric, and respiratory conditions. Drug registration approval was obtained for Rosuvastatin Ezetimibe tablets during the period. The Group is advancing its production and market access in preparation for its commercial launch in the second half of the year. In respect of specialty Traditional Chinese Medicines, the Group continued to deepen its presence in niche therapeutic areas by leveraging the advantages of its exclusive product portfolio, and advanced patient education through academic-driven and brand-building initiatives to support steady development. The major product varieties include: Yi An Decoction (益安回生口服液), which focuses on the detoxification segment and aims to build the leading global traditional Chinese medicine brand for the treatment of opioid-use disorder; Zhikang Granules (脂康顆粒), positioned for treatment, prevention and healthcare, focusing on hyperlipidaemia, a condition that triggers various chronic diseases, with emphasis on expanding the three key terminal markets of clinics, private hospitals and out-of-hospital and other non-hospital channels; Jianerle Granule (健兒樂顆粒), targeting the paediatric digestive-growth segment and positioned for strengthening and relieving the spleen to support healthy development; and Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒), a pure Chinese medicine formulation for safe cough relief specifically for the paediatric respiratory segment. While consolidating its position in the hospital market, the Group expanded into channels including the third channel, over-the-counter medications, e-commerce, and OEM. The Group also continued to advance the integrated management of procurement, production, and inventory, thereby enhancing efficiency and optimizing cost structures.

The CMO/CDMO business continued to advance technology transfer, registration filings, and preparations for commercial production for on-going projects, while seeking out to develop projects with long-term collaboration potential.

While maintaining revenue growth, the Group's traditional Chinese medicine business further shifted its operational focus to customer quality, accounts receivable, inventory turnover, and profitability management. Leveraging the production base and industry resources of Tianda Chinese Medicine (Bozhou) Ltd., the Group deepened its cooperation with high-quality customers and expanded its corporate client base among Chinese medicine manufacturers, resulting in rapid growth in the trading business of Chinese medicinal materials. During the period, the Group refined its client admission, credit assessment, and accounts receivable management, and strengthened follow-up on high-risk and overdue accounts receivable, while optimizing procurement, warehousing, and inventory management, improving resource utilization and asset turnover efficiency. The Chinese medicinal decoction pieces business focused on varieties with stable demand and higher value-added potential, while strengthening supply chain synergies, resulting in improved operating performance and profitability.

In the areas of medical and healthcare services, the Group continued to enhance the service capacities and operational efficiency of existing medicine clinics at "TDMall" while optimizing the allocation of medical resources in accordance with different markets. During the period, Zhuhai TDMall added Western medicine gynecology services and brought in specialist resources. TDMall (Jordan) in Hong Kong saw increases in both client numbers and revenue. Following its relocation, TDMall (Sydney) in Australia gradually resumed its operations, with steady rise of client numbers and revenue.

The Group also promoted its specialized services, including acupuncture and physical therapy, cancer treatment, and health management, strengthened synergies between medical services and health products, and organized activities to promote traditional Chinese medicine culture and provided free medical consultations in the Guangdong-Hong Kong-Macao Greater Bay Area to enhance brand awareness. The medical services business still remains in the stage of improving efficiency and building profitability. The Group will continue to review the revenue structure, staffing and cost-effectiveness of each clinic to drive improvements in operational performance.

In terms of research and development, as the long-term R&D investments gradually enter the harvest period, with multiple new products approved for market launch, and R&D achievements have been rapidly transformed into industrialization and commercialization. During the period, the Group advanced its R&D efforts in the areas of innovative traditional Chinese medicine, treatments for chronic diseases, and respiratory and pediatric medications, steadily expanding its product pipeline to lay a foundation for future growth.

In the area of innovative Chinese medicine, one of the Group's Class 1 innovative Chinese medicine for the treatment of chronic heart failure has completed Phase II clinical trials. The Group is actively advancing the Phase III clinical trial protocol, selecting research centers, and carrying out related preparatory work. This project is a key component of the innovative Chinese medicine R&D pipeline; it remains necessary to complete the clinical trials and obtain regulatory approvals. If the process proceeds smoothly, this will enhance the Group's product portfolio in the field of chronic heart failure treatment. In addition, breakthrough progress was made in the research work relating to the enhancement of the quality standards of Yi An Decoction.

In the area of chemical drugs, Rosuvastatin Ezetimibe tablets obtained drug registration approval during the period. From 2025 to the end of the Interim Period, the Group has cumulatively obtained marketing approval for four chemical drug products, marking the gradual transformation of prior R&D investments into products ready for commercialization. Other pipeline products under development in the respiratory and pediatric areas are progressing as planned. The Group also continues to optimize manufacturing processes and implement technical upgrades for its launched products to enhance efficiency, ensure quality, and reduce costs.

For health products, the Group continued to advance the R&D of specialty products and further enrich its product reserves. CerebroCardio Clear Capsule, Acid Excretion Relief Capsule and Metabolic Balance Capsule have basically completed the health product certification process in Macau, which further expands the Group's product portfolio in the cardio-cerebrovascular health and uric acid metabolism segments, laying groundwork for expansion into the Macau market and cross-border e-commerce channels. Products such as Compound Polygonati Protoplasmic Puree, Melatonin Decoction and Coenzyme Q10 have also completed their phases of R&D. Indigo-Naturalis and Galla Chinensis Repairing Mouthwash has completed process and quality studies as well as antibacterial testing, and is currently undergoing stability assessment.

The Group kept refining its quality management system, strengthened quality control and compliance management across all links of R&D, production, and sales, and ensure consistent product quality and stable supply.

## OUTLOOK

Looking ahead to the second half of the year, the Group will prioritize improving operational quality and fostering new growth drivers, consolidate the market foundation of core products such as Tuoping® and Tuoen®, and accelerate market access and promotion for new products including Metformin Hydrochloride and Empagliflozin tablets, Bisoprolol Fumarate and Amlodipine Besilate tablets, Montelukast Sodium granules, and Rosuvastatin Ezetimibe tablets. The Group will also further strengthen market expansion for its specialty Chinese medicine products. We will proceed as planned with the Phase III clinical trial of Baoxin Granules and other pipeline projects, to accelerate commercialization of R&D achievements. For the Chinese medicine business, we will continue to expand our base of high-quality clients and key products, while reinforcing management of accounts receivable, inventory, and credit risks. The operational efficiency of the existing TDMall clinics will be further improved, diagnostic and treatment services as well as staffing will be optimized, and expansion into the health product market and overseas markets will be prudently administered.

Guided by the principles of "expanding network to increase profits, reducing costs and expenditures, and improving efficiency for development", the Group will continue to optimize the allocation of resources across marketing, production, the supply chain, inventory, and back-office functions, while strengthening cash flow and operational risk management, and leveraging Hong Kong's role as a bridge connecting the mainland and the international markets to prudently explore overseas markets and partnership opportunities, thereby securing long-term, steady and sustainable development.

## FINANCIAL REVIEW

During the Interim Period, the Group recorded a revenue of HK$164,220,000 (six months ended 30 June 2025, ("Previous Interim Period"): HK$136,640,000).

For the pharmaceuticals and medical technologies business, revenue for the Interim Period was HK$118,070,000, an increase of 11.0% from HK$106,430,000 in the Previous Interim Period. Sales of Tuoping®Valsartan, our core product in the cardiovascular and cerebrovascular segment, increased by 26.9% from HK$54,630,000 in the Previous Interim Period to HK$69,280,000 for the Interim Period. Due to weaker market demand of anti-infective medicines, sales of the product Tuoen®Ibuprofen fell from HK$19,830,000 in the Previous Interim Period to HK$15,230,000, a decline of 23.2%. The business of new products has made positive progress; in particular, sales of Metformin Hydrochloride and Empagliflozin tablets rose from HK$640,000 in the Previous Interim Period to HK$2,950,000 in the Interim Period; sales of Bisoprolol Fumarate and Amlodipine Besilate tablet, Ambroxol Hydrochloride oral solution and Nicorandil for Injection during the Interim Period amounted to HK$620,000, HK$460,000, and HK$290,000, respectively (Previous Interim Period: nil, nil, and HK$140,000, respectively). The pre-tax loss for the pharmaceuticals and medical technologies business segment narrowed from HK$17,160,000 in the Previous Interim Period to HK$14,590,000 during the Interim Period.

The Chinese medicine business segment recorded significant sales growth, with revenue for the Interim Period amounting to HK$37,770,000 (Previous Interim Period: HK$18,820,000), representing an increase of 107.4%. However, adjustments to the product structure of the Chinese Medicine Business in 2026 led to a decline in gross profit margin, and the consolidated loss before tax increased from HK$4,160,000 in the Previous Interim Period to HK$4,800,000 for the Interim Period.

As for the medical and healthcare services segment, revenue for the Interim Period was HK$8,390,000 (Previous Interim Period: HK$11,390,000). The new Chinese medicine clinic, TDMall, recorded revenue of HK$6,770,000 for the Interim Period, compared to HK$7,870,000 in the Previous Interim Period. In particular, TDMall (Jordan) performed exceptionally well, with revenue increased from HK$1,900,000 in the Previous Interim Period to HK$2,710,000 during the Interim Period, and began to generate a profit at the same time. However, the overall revenue declined as other TDMall clinics were still in market development stage, and the TDMall (TST) clinic ceased its operation during the Previous Interim Period. In addition, the consolidation of the health products sales business resulted in the decline of health products sales for the Interim Period from HK$3,520,000 in the Previous Interim Period to HK$1,620,000 in the Interim Period. The pre-tax loss for the medical and healthcare services segment narrowed from HK$6,890,000 in the Previous Interim Period to HK$6,550,000 in the Interim Period.

Consolidated gross profit was HK$66,140,000 (Previous Interim Period: HK$56,580,000), and the gross profit margin decreased from 41.4% in the Previous Interim Period to 40.3% in the Interim Period, primarily due to an increase in the proportion of sales from the Chinese medicine business, which has a lower gross profit margin. Selling and distribution expenses increased from HK$47,100,000 in the Previous Interim Period to HK$54,000,000 in the Interim Period, while the selling and distribution expenses to revenue ratio decreased from 34.5% to 32.9%, representing a decline of approximately 1.6 percentage points.

Administrative expenses amounted to HK$39,130,000 (Previous Interim Period: HK$37,100,000), representing an increase of 5.5%. R&D expenses for the Interim Period amounted to HK$2,710,000 (Previous Interim Period: HK$5,950,000). The latest progress on major R&D projects is detailed in the Business Review section above. Other income and net gains for the Interim Period amounted to HK$580,000 (Previous Interim Period: HK$1,470,000). The decrease was primarily attributable to reduced interest income from bank deposits as well as a decrease in government subsidies received during the Interim Period.

In summary, the loss attributable to the Company's shareholders narrowed from HK$33,240,000 in the Previous Interim Period to HK$32,250,000 during the Interim Period. This change in profitability was primarily 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 2026 (2025: Nil).

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group held structured deposits, cash and bank balances of approximately HK$45,120,000 (31 December 2025: HK$64,810,000), of which approximately 83.2% were denominated in Renminbi ("RMB"), with the remainder denominated in Hong Kong dollars, Australian dollars, Euros, Macau patacas, and United States dollars.

As at 30 June 2026, bank borrowings due within one year and bank borrowings due within two to five years amounted to HK$123,300,000 and HK$15,640,000, respectively, both denominated in RMB and bearing interest at rates ranging from China LPR -0.1% to China LPR -0.6%.

As at 30 June 2026, the Group recorded net current liabilities of HK$89,150,000. During the period, the Group has obtained new banking facilities of RMB100,000,000 from a bank. As at 30 June 2026, the unused bank credit facilities amounted to HK$15,980,000. 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 at 30 June 2026, the Group did not comply with a financial covenant of a bank borrowing with a principal amount of RMB9,700,000. 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 30 June 2026.

## CHARGES ON ASSETS

As at 30 June 2026, the Group pledged certain right-of-use assets, and property, plant and equipment with carrying value of HK$232,970,000 (31 December 2025: HK$203,240,000) in aggregate to secure bank loan facilities granted to the Group.

## EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2026, the Group employed approximately 573 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 30 June 2026, 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 30 June 2026.

## CORPORATE GOVERNANCE

The Company has complied with the 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 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 Interim Period.

## REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Group's interim condensed consolidated financial information for the 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 Interim Period.

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

During the 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) and the Stock Exchange's website (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, 10 August 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.*