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The United Laboratories International Holdings Limited

聯邦制藥國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3933)

2025 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	2025	2024	Decrease
	<i>RMB'000</i>	<i>RMB'000</i>	%
Revenue	13,210,627	13,758,937	(4.0%)
EBITDA	3,247,227	3,939,403	(17.6%)
Profit before taxation	2,527,953	3,288,898	(23.1%)
Profit for the year attributable to owners of the Company	2,085,902	2,659,704	(21.6%)
	<i>RMB cents</i>	<i>RMB cents</i>	
Earnings per share - Basic	110.65	146.39	(24.4%)
Dividend per share			
- Interim dividend	16.0	16.0	0.0%
- Final dividend	26.0	28.0	(7.1%)
- Special dividend	-	12.0	(100.0%)
- Full-year dividend	42.0	56.0	(25.0%)

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2025, the external environment remained complex and volatile. Guided by a high-quality development strategy, China's economy maintained steady progress with improvements in both quantity and quality. The past year marked the conclusion of China's 14th Five-Year Plan. The pharmaceutical industry continued to see policy refinements, with the combined effects of measures such as the normalisation of centralised procurement, the full implementation of reformed medical insurance payment methods, and the accelerated review and approval process for innovative drugs becoming evident, driving the industry's accelerated transformation and upgrading. Since the inception of the 14th Five-Year Plan, China's pharmaceutical sector has achieved significant accomplishments in areas including innovative drugs, high-end manufacturing, industrial scale, and internationalisation, consistently achieving leapfrog development driven by innovation and laying a solid foundation for the "Healthy China" initiative and global pharmaceutical competition.

Facing the opportunities and challenges presented by this new landscape, the Group has maintained a clear strategic focus, seizing the initiative amidst change and seeking breakthroughs amidst challenges. By focusing on R&D innovation and deepening our global footprint, we have cemented a solid foundation for the Group's long-term sustainable development. On behalf of the board of Directors (the "Board") of The United Laboratories International Holdings Limited (the "Company" or "The United Laboratories"), I am pleased to present to our shareholders and partners the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025 (the "Year").

During the Year, the Group recorded revenue of approximately RMB13,210.6 million, representing a year-on-year decrease of 4.0%. Profit attributable to owners of the Company was RMB2,085.9 million, representing a year-on-year decrease of 21.6%. Earnings per share were RMB110.65 cents. The Board recommends the payment of a final dividend of RMB26 cents per share for the year ended 31 December 2025. The dividend for the full year was RMB42 cents together with the distributed interim dividend of RMB16 cents per share, representing a dividend payout ratio of 38.0%.

Innovation-Driven, Transforming for the Future

In 2025, national policy support for the innovative drug industry continued to intensify. The National Healthcare Security Administration issued "Several Measures to Support the High-Quality Development of Innovative Drugs", proposing 16 specific initiatives aimed at clearing the whole-chain pathway for innovative drugs from R&D and market access to reimbursement and internationalisation. The National Medical Products Administration (NMPA) issued and implemented an "Announcement on Optimising the Review and Approval Process for Clinical Trials of Innovative Drugs", establishing a 30-day review and approval channel for innovative drug clinical trials in addition to the existing 60-day implied approval system, further enhancing review efficiency. During the year, the first edition of the "Commercial Health Insurance Innovative Drug Catalogue" was officially released, signalling the gradually strengthening role of commercial health insurance in the payment system for innovative drugs. With the continued release of policy dividends, the ongoing improvement of the payment system, the maturing industrial ecosystem, the emergence of new technologies, and the acceleration of internationalisation, the market potential for innovative drugs will continue to expand, maintaining a trajectory of rapid growth.

The Group adheres to an innovation-driven development strategy. Years of accumulated R&D efforts are now bearing fruit, with positive progress achieved in new drug development, out-licensing of new drugs, product registration and approval, and the quality and efficacy consistency evaluation of generic drugs, injecting strong momentum into the Group's long-term development. The Group currently has 23 Class I new drug candidates under development, including several blockbuster products with significant market potential. During the year, the Group continued to increase its R&D investment, with the development and clinical studies of innovative drugs progressing in an orderly manner. Notably, Phase II clinical studies in China for UBT251 Injection, a Class I new drug, were successively initiated for multiple indications including overweight/obesity, diabetes, metabolic dysfunction-associated steatohepatitis (MASH), and chronic kidney disease, continuously expanding its future market potential. Furthermore, UBT37034 Injection for the indication of overweight/obesity, another Class I new drug, received approval for clinical trials in both China and the United States, empowering its international expansion.

During the Year, the Group's first GLP-1 product, 聯邦優利泰® (Liraglutide Injection), was approved for marketing. This approval further enriches the Group's product portfolio in the diabetes treatment field and targeting the GLP-1 receptor. As the first segmented production pilot variety of biological products in the country to achieve production capacity conversion, Liraglutide Injection offers significant advantages in meeting market demand, improving production efficiency, and ensuring product quality. It will also continue to accumulate valuable practical experience for segmented production. Additionally, Semaglutide Injection (for the diabetes indication), which has garnered widespread market attention, has entered the production application stage and is expected to benefit a broad patient population soon.

Success in UBT251 Out-Licensing: Another Milestone in Innovative Transformation

In 2025, the total value of out-licensing deals for Chinese innovative drugs exceeded US\$130 billion, reaching record highs in terms of transaction volume, value, and upfront payments. China's pharmaceutical innovation has entered a new phase of development, successfully securing a core position within the global pharmaceutical innovation landscape.

During the Year, the Group entered into an exclusive license agreement with Novo Nordisk A/S, a leading global healthcare company, for UBT251, a triple agonist targeting the GLP-1R/GIPR/GCGR receptors, granting Novo Nordisk A/S the rights to develop, manufacture, and commercialise UBT251 globally (excluding Mainland China, Hong Kong SAR, Macao SAR, and Taiwan). During the Year, the Group successfully received the upfront payment for this transaction. As the UBT251 project progresses, the Group will successively realise milestone payments, further unlocking the product's value.

This collaboration signifies high recognition of the Group's innovative R&D capabilities by the leading global pharmaceutical giants, marking a milestone leap from local innovation to global out-licensing. Leveraging this, we will explore diversified new drug collaboration models with a more open attitude, build a global innovation network, and continuously enhance The United Laboratories' innovative influence.

Expanding Diversified Collaborations While Accelerating Global Footprint

The Group is firmly advancing its internationalisation strategy by actively expanding its global business presence. Beyond new drug out-licensing, various business segments are accelerating their overseas expansion, achieving significant breakthroughs in multiple dimensions such as market coverage, customer development, and industrial synergy, comprehensively speeding up the internationalisation process.

During the Year, the Group actively participated in top-tier industry exhibitions and academic and industrial exchange events, including CPHI Worldwide, CPHI China, VIV Asia, Chronic Disease Prevention Conferences, and Frontier Diabetes Academic Meetings, engaging in in-depth interactions with Chinese and global clients, and continuously enhancing its brand influence. Adhering to the business principle of "friendship, equality, and mutual development", we have entered into strategic collaborations with multiple domestic and international partners, injecting new momentum into our global presence.

We continue to drive global business development at a relentless pace. During the Year, our insulin products successfully marked the beginning of the Group's finished products business going global, setting a record for export sales volume among similar Chinese products. Currently, the Group has established business collaborations with clients in multiple "Belt and Road" countries and emerging markets, steadily advancing the international presence of its finished products business. In the future, the Group will continue to align with the national "Belt and Road" development strategy, fully leveraging its vertically integrated industrial advantages. We will intensify our efforts in key countries along the route and emerging markets, working hand-in-hand with local partners to construct targeted market strategies and operational systems. Simultaneously, we will accelerate the overseas registration of key products, continuously enrich our product matrix, and rapidly advance our strategic internationalization presence.

Enhancing Quality and Efficiency, and Achieving High-Quality Development

In 2025, Artificial Intelligence (AI) technology achieved significant breakthroughs and widespread application globally, accelerating its transition from technological exploration to large-scale implementation. During the year, seven ministries, including the Ministry of Industry and Information Technology, jointly issued the “Implementation Plan for the Digital and Intelligent Transformation of the Pharmaceutical Industry (2025-2030)”, outlining a clear blueprint for the industry's digital and intelligent transformation. With keen strategic insight, the Group is fully embracing the AI wave. We are actively advancing our AI strategic deployment, continuously promoting the deep integration of artificial intelligence with core business functions such as R&D, production, and management. We aim to improve quality and efficiency through AI technologies, injecting new momentum into high-quality development.

In team building, we adhere to a people-oriented philosophy, continuously improving our institutional systems and optimising incentive mechanisms. We are dedicated to building a talent team that is friendly, responsible, diligent, efficient, and possesses an international perspective and capabilities. During the Year, the United Laboratories Craftsman Training School was successfully launched, which will continuously supply professionally skilled talent for regional industrial upgrading.

During the Year, the Group steadily advanced capacity upgrades, with several key construction projects successfully coming to fruition. Relying on our comprehensive industrial chain advantages, we continuously enhance the Group's overall competitiveness, comprehensively empowering its high-quality development.

Environmental, Social and Governance

Upholding the corporate mission of “Making Life More Valuable”, the Group integrates the concept of sustainable development into its business operations and decision-making. We actively fulfill our social responsibilities by continuously investing in various fields such as education, disaster relief, and community care to contribute to the society. Simultaneously, we respond wholeheartedly to the national policy of green and sustainable development, promoting industrial upgrading and facilitating the green and low-carbon transformation of enterprises.

Facing the profound impacts of global climate change, we proactively incorporate climate risk response and opportunity identification into our strategic vision. We actively identify climate-related risks and opportunities within our production operations and value chain, promote energy conservation, emission reduction, and energy structure optimisation, explore application scenarios for low-carbon technologies in the pharmaceutical sector, and seek breakthroughs in green manufacturing and the recycling economy. We are committed to transforming climate challenges into new drivers for innovative development.

Outlook

The Central Economic Work Conference in 2025 clearly positioned biomedicine as an “emerging pillar industry”, sending a clear policy signal to “promote the high-quality development of innovative drugs”. Currently, with clinical value at its core, the industry is building a new pattern for high-quality development characterised by “source innovation, intelligent manufacturing, and global presence”, laying a solid foundation for entering the 15th Five-Year Plan period.

Facing this new development landscape, the Group, with its solid industrial foundation and forward-looking strategic layout, is confident in seizing opportunities and addressing challenges. The Group will uphold its innovation-driven development strategy, continue to promote R&D innovation and technological upgrades, deepen its vertically integrated industrial layout, comprehensively enhance operational efficiency, and fully leverage its economies of scale and synergistic advantages. In terms of globalisation, we will perfect our R&D, production, and commercialisation systems to internationally competitive standards, continuously drive the comprehensive global expansion of our products, technologies, and brand, and expand our global business, collaboration, and innovation network. In the future, we will unwaveringly pursue the path of high-quality and sustainable development, striving to create greater value for our shareholders and society.

On behalf of the Board, I would like to take this opportunity to express my gratitude to our shareholders and our partners for their full trust and support in long time, as well as to our staff for their hard work and contributions. I hope we can join hands and create a better future together.

Tsoi Hoi Shan
Chairman

Hong Kong, 24 March 2026

2025 ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for the year 2024 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	3	13,210,627	13,758,937
Cost of sales		<u>(7,696,556)</u>	<u>(7,676,546)</u>
Gross profit		5,514,071	6,082,391
Other income	4	354,367	356,929
Other gains and losses, net	5	23,371	153,781
Selling and distribution expenses		(1,355,051)	(1,402,483)
Administrative expenses		(947,531)	(894,112)
Research and development expenditures		(921,048)	(890,757)
Other operating expenses		(50,202)	(36,821)
Impairment losses recognised under expected credit loss model, net		(20,243)	(44,880)
Share of results of an associate		(51)	(192)
Finance costs	6	<u>(69,730)</u>	<u>(34,958)</u>
Profit before taxation		2,527,953	3,288,898
Tax expense	7	<u>(446,871)</u>	<u>(631,077)</u>
Profit for the year	8	<u>2,081,082</u>	<u>2,657,821</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(1,156)</u>	<u>549</u>
Total comprehensive income for the year		<u>2,079,926</u>	<u>2,658,370</u>
Profit (loss) for the year attributable to:			
Owners of the Company		2,085,902	2,659,704
Non-controlling interests		<u>(4,820)</u>	<u>(1,883)</u>
		<u>2,081,082</u>	<u>2,657,821</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		2,084,746	2,660,253
Non-controlling interests		<u>(4,820)</u>	<u>(1,883)</u>
		<u>2,079,926</u>	<u>2,658,370</u>
Earnings per share	10	<i>RMB cents</i>	<i>RMB cents</i>
- Basic		<u>110.65</u>	<u>146.39</u>

**Consolidated Statement of Financial Position
At 31 December 2025**

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	11	11,557,901	8,724,524
Right-of-use assets		441,833	450,800
Goodwill		3,031	3,031
Intangible assets		274,195	209,200
Interests in an associate		7,061	7,112
Deposits for acquisition of property, plant and equipment		75,818	283,298
Deposit for acquisition of intangible assets		3,729	10,710
Deferred tax assets		67,399	73,681
		12,430,967	9,762,356
Current assets			
Inventories		2,369,133	2,434,166
Trade and bills receivables, other receivables, deposits and prepayments	12	4,741,718	6,272,323
Pledged bank deposits		628,503	1,034,366
Tax recoverables		123,765	-
Cash and cash equivalents		10,606,390	6,329,841
		18,469,509	16,070,696
Current liabilities			
Trade and other payables	13	7,890,941	7,636,911
Contract liabilities		76,785	96,119
Lease liabilities		4,969	4,781
Tax payables		-	204,354
Borrowings - due within one year		2,106,458	830,384
		10,079,153	8,772,549
Net current assets		8,390,356	7,298,147
Total assets less current liabilities		20,821,323	17,060,503

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current liabilities			
Deferred tax liabilities		376,079	282,492
Deferred income in respect of government grants	13	89,644	22,205
Lease liabilities		7,453	12,667
Borrowings - due after one year		2,872,831	2,307,899
		<u>3,346,007</u>	<u>2,625,263</u>
Net assets		<u>17,475,316</u>	<u>14,435,240</u>
Capital and reserves			
Share capital		18,396	16,965
Reserves		17,374,558	14,371,318
Equity attributable to owners of the Company		17,392,954	14,388,283
Non-controlling interests		82,362	46,957
Total equity		<u>17,475,316</u>	<u>14,435,240</u>

Notes:

1. General information

The United Laboratories International Holdings Limited (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The Company’s parent company and ultimate holding company is Heren Far East Limited, a company incorporated in the British Virgin Islands and is ultimately controlled by The Choys’ Family Trusts. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is located at 6 Fuk Wang Street, Yuen Long Industrial Estate, Yuen Long, New Territories, Hong Kong.

The consolidated financial statements are presented in Renminbi (“RMB”) which is also the functional currency of the Company and most of its subsidiaries (the “Group”), the currency of the primary economic environment in which the principal subsidiaries of the Company operate.

2. Application of new and amendments to HKFRS Accounting Standards

Amendments to a HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a 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 on the 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 amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of

Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. Revenue and segment information

The Group is currently organised into three revenue streams, including Intermediate products, Bulk medicine and Finished products.

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

- 1) Intermediate products - mainly represent sales of 6-APA products and penicillin G potassium products;
- 2) Bulk medicine - mainly represent sales of amoxicillin products; and
- 3) Finished products - mainly represent sales of insulin series products, antibiotics products, nervous system drugs, ophthalmic products, health care products, veterinary drugs, and license fee income.

(a) Segment revenue and results

Year ended 31 December 2025

	Intermediate products <i>RMB '000</i>	Bulk medicine <i>RMB '000</i>	Finished products <i>RMB '000</i>	Segment total <i>RMB '000</i>	<u>Elimination</u> <i>RMB '000</i>	<u>Consolidated</u> <i>RMB '000</i>
REVENUE						
External sales	1,612,354	4,900,444	5,255,619	11,768,417	-	11,768,417
Inter-segment sales	2,405,952	992,419	-	3,398,371	(3,398,371)	-
License fee income (Note)	-	-	1,442,210	1,442,210	-	1,442,210
Segment revenue	<u>4,018,306</u>	<u>5,892,863</u>	<u>6,697,829</u>	<u>16,608,998</u>	<u>(3,398,371)</u>	<u>13,210,627</u>
Segment profit before research and development expenses	650,191	391,231	2,373,972			3,415,394
Research and development expenses (included in the measurement of segment profit)	(217,753)	(62,419)	(640,876)			(921,048)
RESULT						
Segment profit	<u>432,438</u>	<u>328,812</u>	<u>1,733,096</u>			2,494,346
Share of results of an associate						(51)
Unallocated other income						207,414
Unallocated corporate expenses						(153,328)
Unallocated other gains and losses, net						50,922
Impairment losses under expected credit loss model, net						(1,620)
Finance costs						<u>(69,730)</u>
Profit before taxation						<u>2,527,953</u>

Note: During the year ended 31 December 2025, the Group entered into an exclusive license agreement (the “Exclusive License Agreement”) with a customer (the “Licensee”) for its patented intellectual property (the “Patented Intellectual Property”). Under the Exclusive License Agreement, the Licensee will obtain worldwide rights (excluding China mainland, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) (the “Territory”) to develop, manufacture and commercialise the Patented Intellectual Property.

Under the Exclusive License Agreement and subject to the terms and conditions thereof, the Group is eligible to receive an upfront payment, potential milestone payments subject to the achievement of certain development and sales milestone and royalties based on annual net sales in the Territory.

During the year ended 31 December 2025, payment of RMB1,442,210,000 was received and recognised as revenue as the Licensee obtained rights to access the Patented Intellectual Property.

Year ended 31 December 2024

	Intermediate products <i>RMB '000</i>	Bulk medicine <i>RMB '000</i>	Finished products <i>RMB '000</i>	Segment total <i>RMB '000</i>	Elimination <i>RMB '000</i>	Consolidated <i>RMB '000</i>
REVENUE						
External sales	2,658,691	6,372,683	4,727,563	13,758,937	-	13,758,937
Inter-segment sales	3,198,429	979,071	-	4,177,500	(4,177,500)	-
Segment revenue	<u>5,857,120</u>	<u>7,351,754</u>	<u>4,727,563</u>	<u>17,936,437</u>	<u>(4,177,500)</u>	<u>13,758,937</u>
Segment profit before research and development expenses	2,215,316	904,596	889,307			4,009,219
Research and development expenses (included in the measurement of segment profit)	(113,881)	(199,648)	(577,228)			(890,757)
RESULT						
Segment profit	<u>2,101,435</u>	<u>704,948</u>	<u>312,079</u>			3,118,462
Share of results of an associate						(192)
Unallocated other income						136,300
Unallocated corporate expenses						(114,871)
Unallocated other gains and losses, net						184,325
Impairment losses reversed under expected credit loss model, net						(168)
Finance costs						<u>(34,958)</u>
Profit before taxation						<u>3,288,898</u>

(b) Geographical information

The revenue by geographical market (irrespective of the origin of the goods) based on the location of the customers are presented below:

	Revenue from external customers	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
The People's Republic of China ("PRC"), including Hong Kong (country of domicile)	9,199,205	11,115,585
Europe	2,001,705	695,589
India	439,678	634,347
Middle East	37,649	73,284
South America	843,692	363,284
Other Asian regions	492,848	633,318
Other regions	195,850	243,530
	13,210,627	13,758,937

4. Other income

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	152,573	127,791
Sales of scrap materials	37,585	31,654
Subsidy income (<i>Note</i>)	155,855	189,626
Sundry income	8,354	7,858
	354,367	356,929

Note: Subsidy income includes tax subsidy and grants from the PRC government which are specifically for (i) capital expenditure incurred for plant and machinery, which are recognised as income over the useful life of related assets; (ii) incentives and other subsidies for research and development activities, which are recognised upon meeting the specific conditions; and (iii) incentives which have no specific conditions attached to the grants.

5. Other gains and losses, net

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other gains and losses, net		
Net gain on fair value change of derivative financial instruments (<i>Note</i>)	(133,658)	(93,032)
Gain on disposal of financial assets at fair value through profit or loss	(79,378)	(66,501)
Net (gain) loss on disposal of property, plant and equipment	(21,036)	4,269
Written off of property, plant and equipment	48,585	23,297
Net foreign exchange loss (gain)	161,393	(25,792)
Others	723	2,978
	<u>(23,371)</u>	<u>(153,781)</u>

Note: During the years ended 31 December 2025 and 2024, the Group had entered into several foreign currency forward contracts with banks and financial institutions to reduce its exposure to foreign currency risks. These derivatives were not accounted for under hedge accounting. The Group did not hold any (2024: nil) derivative financial instruments as at 31 December 2025.

6. Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on borrowings	126,612	74,608
Interest on lease liabilities	651	759
	<u>127,263</u>	<u>75,367</u>
Less: amounts capitalised in the cost of qualifying assets	(57,533)	(40,409)
	<u>69,730</u>	<u>34,958</u>

Borrowing costs capitalised during the current year arose on the specific borrowing pool and general borrowing pool. The general borrowing costs have been capitalised at a rate of 2.56% (2024: 3.40%) per annum.

7. Tax expense

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The tax charge comprises:		
Current tax		
Hong Kong Profits Tax	4,003	8,098
PRC Enterprise Income Tax (“EIT”)	197,015	539,408
PRC withholding tax on interest income	2,525	1,448
PRC withholding tax on royalty income	70	36
PRC withholding tax on distributed profits of PRC subsidiaries	-	80,556
Danish withholding tax on license fee income	143,390	-
	<u>347,003</u>	<u>629,546</u>
Deferred tax charge	<u>99,868</u>	<u>1,531</u>
	<u><u>446,871</u></u>	<u><u>631,077</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC EIT is calculated at the applicable rates of tax prevailing in the areas in which the Group operates, based on the existing legislation, interpretations and practices.

Pursuant to the Danish domestic tax law, the withholding tax on royalty payment in Denmark is subject to withholding tax at the statutory rate of 22% on the gross amount. Under the applicable double tax arrangement, the Group is entitled to a reduced rate of 10% for current period.

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

8. Profit for the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditor’s remuneration	5,991	5,494
Depreciation		
Depreciation of right-of-use assets	17,374	16,178
Depreciation of property, plant and equipment	613,205	579,883
Amortisation of intangible assets (included in cost of sales)	18,964	19,486
Staff costs, including directors’ emoluments		
Salaries and other benefits	1,863,378	1,765,089
Share-based compensation expenses	14,093	47,364
Contributions to retirement benefit schemes	340,187	279,636
	<u>2,217,658</u>	<u>2,092,089</u>
Write-down of inventories reversed (included in cost of sales)	(12,382)	(15,959)
Cost of inventories recognised as expenses	<u>7,636,202</u>	<u>7,692,205</u>

9. Dividends

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the current year		
- 2025 interim dividend RMB16 cents (2024: 2024 interim dividend RMB16 cents) per share	315,684	290,724
- 2024 final dividend RMB28 cents (2024: 2023 final dividend RMB28 cents) per share	508,768	508,768
- 2024 special dividend RMB12 cents (2024: 2023 special dividend RMB12 cents) per share	<u>218,044</u>	<u>218,043</u>
	<u>1,042,496</u>	<u>1,017,535</u>

Subsequent to the end of the reporting period, a final dividend of RMB26 cents (2024: final dividend of RMB28 cents and a special dividend of RMB12 cents) per ordinary share in respect of the year ended 31 December 2025, in an aggregate amount of RMB512,987,000 (2024: RMB726,773,000), have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming annual general meeting.

10. Earnings per share

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

Earnings

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings for the purposes of basic earnings per share being profit for the year attributable to owners of the Company	<u>2,085,902</u>	<u>2,659,704</u>

Number of shares

	2025 <i>'000</i>	2024 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,885,111</u>	<u>1,816,814</u>

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

11. Property, plant and equipment

During the year ended 31 December 2025, the Group spent approximately RMB3,508,784,000 (2024: RMB2,858,081,000) on the acquisition of property, plant and equipment in order to upgrade its manufacturing capabilities.

12. Trade and bills receivables, other receivables, deposits and prepayments

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables from contracts with customers	2,248,570	2,406,076
Less: allowance for credit losses	(31,812)	(13,166)
Banker's acceptance bills receivables	1,982,202	3,333,266
Less: allowance for credit losses	(174)	(212)
Consideration receivables	339,574	339,574
Less: allowance for credit losses	(339,574)	(339,574)
Value added tax receivables	268,396	235,963
Other receivables, deposits and prepayments	287,707	321,947
Less: allowance for credit losses	(13,171)	(11,551)
	4,741,718	6,272,323

At 1 January 2024, gross carrying amount of trade receivables from contracts with customers amounted to RMB2,378,638,000.

The Group normally allows a credit period of 45 days to 180 days (2024: 45 days to 180 days) to its trade customers, and may be extended to selected customers depending on their trade volume and historical settlement records with the Group. The banker's acceptance bills receivables have a general maturity period of between 90 days and 1 year (2024: between 90 days and 1 year).

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on dates of transferring control of the goods, and an analysis of banker's acceptance bills receivables and commercial bills receivables by age, net of allowance for credit losses, presented based on the bills issuance date, at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables from contracts with customers		
0 to 30 days	1,018,465	943,289
31 to 60 days	414,069	629,666
61 to 90 days	333,415	389,109
91 to 120 days	191,235	212,161
121 to 180 days	128,585	204,206
Over 180 days	130,989	14,479
	2,216,758	2,392,910
Banker's acceptance bills receivables		
0 to 30 days	362,012	636,132
31 to 60 days	305,817	678,738
61 to 90 days	418,932	453,539
91 to 120 days	381,778	640,674
121 to 180 days	497,646	862,069
Over 180 days	15,843	61,902
	1,982,028	3,333,054

13. Trade and other payables

The Group normally receives credit terms of up to 120 days and 180 days for trade payables and trade payables under supplier finance arrangement, respectively, from its suppliers. The following is an analysis of the trade payables and trade payables under supplier finance arrangement by age, presented based on the invoice date or bills issuance date at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables		
0 to 90 days	1,234,969	1,560,814
91 to 180 days	355,830	513,876
Over 180 days	20,415	14,095
	<u>1,611,214</u>	<u>2,088,785</u>
Trade payables under supplier finance arrangement (Note)		
0 to 90 days	986,000	1,119,081
91 to 180 days	1,242,006	961,961
Over 180 days	484	5,229
	<u>2,228,490</u>	<u>2,086,271</u>
Other payables and accruals	693,970	545,328
Other tax payable	204,743	170,511
Accrual of freight expense	60,222	128,975
Accrual of salary, staff welfare and unclaimed annual leave	312,627	250,147
Accrual of water, electricity fee & steam	558,132	550,825
Deferred income in respect of government grants	90,338	58,699
Payables in respect of the acquisition of property, plant and equipment	<u>2,220,849</u>	<u>1,779,575</u>
	7,980,585	7,659,116
Less: Amount due within one year shown under current liabilities	<u>(7,890,941)</u>	<u>(7,636,911)</u>
Amount shown under non-current liabilities	<u>89,644</u>	<u>22,205</u>

Note: These related to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

14. Capital commitments

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	<u>1,319,378</u>	<u>2,147,126</u>

15. Pledge of assets

As at 31 December 2025, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group at the end of the reporting period:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	1,582,221	1,133,921
Rights-of-use assets	160,113	159,216
Banker's acceptance bills receivables	23,532	16,884
Pledged bank deposits	628,503	1,034,366

16. Related party transactions

The Group's key management personnel are all directors of the Company, including chief executives, and the remuneration to the directors of the Company during the year is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Fees	714	599
Salaries and other benefits	19,042	18,993
Contributions to retirement benefits schemes	51	79
Share-based compensation expenses	3,167	7,069
	22,974	26,740

During the year, the Group entered into the following transactions with a related party:

<u>Name of related party</u>	<u>Nature of transaction/balance</u>	<u>Relationship</u>	2025	2024
			<i>RMB'000</i>	<i>RMB'000</i>
寧波普邦生物科技有限公司	Sale of goods	Associate	46,530	4,621
	Trade advance	Associate	-	7,500
	Trade and bills receivables	Associate	40,295	-

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, the Group achieved significant progress in drug launches, production submissions, clinical studies, and the out-licensing of new drug projects. At the same time, a refined production and supply system, together with precise and efficient marketing strategies, progressed in tandem, enabling the steady development of all business segments and consolidating the Group's industry-leading position. During the year, the Group recorded revenue of approximately RMB13,210.6 million, representing a year-on-year decrease of 4.0%.

Intermediate Products and Bulk Medicine Business

During the year, the Intermediate products and Bulk medicine segment recorded external sales of RMB1,612.4 million and RMB4,900.4 million respectively, representing a year-on-year decrease of 39.4% and 23.1%, respectively. Overseas export recorded sales of RMB2,015.0 million, decrease of 23.8% and accounted for 15.3% of total revenue of the Group.

As one of the world's largest producers and exporters of bulk medicines, China holds a dominant position in several key categories, including antibiotics and vitamins. Leveraging a comprehensive chemical infrastructure, mature fermentation technologies, and large-scale production capabilities, China has established the world's most cost-competitive bulk medicine industrial chain, providing stable, high-quality raw material assurance for the global pharmaceutical industry. Concurrently, amidst current market demand adjustments, intensified industry competition, the continuous deepening of domestic pharmaceutical centralised procurement, and a complex and volatile international trade environment, the upstream sector is undergoing profound transformation and ecological reshaping.

Relying on mature large-scale production capabilities, the Group has accelerated its innovative R&D, continuously optimised and refined its product mix, and consistently reinforced its core competitive advantages within the industrial chain. Simultaneously, by improving quality and efficiency to enhance cost competitiveness, establishing and perfecting the quality systems aligned with international standards, and connecting with global clients through professional and efficient services, the Group continued to elevate its comprehensive competitive strength amidst industry transformation.

Finished Products Business

During the year, the external sales of Finished products was RMB6,697.8 million (including license fee income of RMB1,442.2 million), representing a year-on-year increase of 41.7% and accounted for 50.7% of total revenue of the Group.

The success of our insulin products marked the beginning of the Group's finished products business going global, maintaining stable supply and order delivery during the year while setting a record for export sales volume among similar Chinese products. Currently, the Group has established business collaborations with clients in multiple "Belt and Road" countries and emerging markets, steadily advancing the international presence of its finished products business.

Endocrine / Metabolism

The main products include 優思靈®USLIN® (Human Insulin Injection (N/R/30R/50R)), 聯邦優樂靈®USLEN® (Insulin Glargine Injection), 聯邦優倍靈®UBLIN® (Insulin Aspart/Insulin Aspart 30 Injection), 聯邦優利泰® (Liraglutide Injection), and 聯邦®滅特尼® (Glipizide Tablets).

The Group's first GLP-1 product, 聯邦優利泰® (Liraglutide Injection), was approved for marketing during the year. As the first segmented production pilot variety of biological products in China to achieve production capacity conversion, 聯邦優利泰® offers significant advantages in meeting market demand, improving production efficiency, and ensuring product quality. The Group partnered with JD Health for an exclusive nationwide online launch of 聯邦優利泰®, leveraging JD Health's expertise in product education, convenient online consultations and prescriptions, nationwide cold-chain delivery services, and

its mature model as the "first stop for nationwide new drug launches". This collaboration accelerated the accessibility of domestically produced GLP-1 drugs to a broader patient population.

During the year, endocrine and metabolism products recorded total gross sales of RMB1,963.2 million, representing a year-on-year increase of 57.3%.

Anti-infection

The main products include 聯邦他唑仙® (piperacillin sodium tazobactam sodium for injection), 聯邦®阿莫仙® (amoxicillin capsules/granules), 強力阿莫仙® (potassium amoxicillin clavulanate for injection, potassium amoxicillin clavulanate tablets/dry suspensions), and 聯邦倍能安® (imipenem cestastatin sodium for injection), among others.

During the year, the anti-infection products (for human use) recorded total sales of RMB1,814.0 million, representing a year-on-year increase of 0.9%.

Other human-used finished products

The main products include ophthalmic drugs, topical dermatological drugs, and neurological drugs.

During the year, other human-used finished products recorded total sales of RMB212.4 million, representing a year-on-year decrease of 28.9%.

Big Health

The main products include the TUL Jianyimei series of healthcare products.

The Big Health Division of the Group has deployed five major product lines: general dietary supplements, healthcare food products, cross-border nutritional supplements, medical devices, medical and aesthetic skincare products, covering categories such as bone and joint nutrition, intestinal regulation, cardiovascular health, vision protection and immunity enhancement. At present, we have a matrix of e-commerce, live broadcasting and new retail online platforms represented by Tmall, JD.com, Tik Tok and WeChat Mall, and deepened our coverage of pharmacy chains and health vertical pipelines.

During the year, the Big Health segment recorded sales of RMB37.1 million, representing a year-on-year increase of 85.8%.

Animal Healthcare

The animal healthcare business of the Group is principally engaged in the research and development, production, sales and technical services of economic and companion animal medicines, covering medicines for livestock, poultry, aquatic products and pets. During the year, we launched 15 new animal healthcare products and obtained a total of 9 new veterinary drug registration certificates ranging from Class II to Class V.

The Group continues to drive the dual-engine development of its economic animal and companion animal businesses. Leveraging its industrial advantages, it is building global capabilities spanning R&D, production, and sales. Simultaneously, it continues to promote the "going global" of its animal healthcare business, actively creating benchmark markets to develop replicable internationalisation experience, and gradually radiating its presence across the global business landscape. The Group has now completed overseas registration and under registration for total 88 animal healthcare products.

During the year, the animal healthcare segment recorded sales of RMB1,228.9 million, representing a year-on-year decrease of 11.1%.

Pharmaceutical Research and Development

The Group regards innovative R&D as the core engine driving enterprise development, continuously increasing R&D investment and attracting scientific talents. Through diversified collaboration models such as independent R&D and cooperative development, it expanded its innovative product pipeline, enhanced new drug R&D and clinical capabilities, and accelerated the development and practical application of innovative technologies and products.

During the year, the Group invested a total of RMB1,005.0 million in pharmaceutical research and development, with a year-on-year increase in R&D of 2.0%, including expensed R&D investment of RMB921.0 million and capitalisation of R&D investment of RMB84.0 million.

The Group has established a comprehensive research and development system composed of multiple platforms, including biological research and development, chemical drug research and development, innovative drug research and development, animal healthcare research and development and clinical research center. At present, the Group had 42 new drug products under development, of which 23 products are Class 1 new drugs, focusing on the areas of endocrinology, metabolism, autoimmunity, ophthalmology and anti-infection; There are a total of 60 new animal healthcare products under development, fully covering economic and companion animals. Furthermore, projects related to Bulk medicines, medical aesthetics, and the quality and efficacy consistency evaluation of generic drugs are progressing steadily.

Progress in Research and Development

During the year, the Group made the following major progress in R&D:

- In January, the investigational new drug (IND) application for the Phase II clinical trial of **UBT251 Injection, a Class-I innovative drug**, for the indication of chronic kidney disease, received implied approval from China's National Medical Products Administration (the "NMPA").
- In January, the New Drug Application (NDA) for **Semaglutide Injection** was accepted by the NMPA.
- In March, the IND application for **UBT251 Injection, a Class-I innovative drug**, received clinical trial approval from the U.S. Food and Drug Administration (FDA).
- In March, the NDA for **Polyvinyl Alcohol Eye Drops** (specification: 1.4% (0.4ml:5.6mg)) was approved by the NMPA.
- In March, the NDA for **Liraglutide Injection** (聯邦優利泰®, specification: 3ml:18mg (pre-filled)) was approved by the NMPA.
- In September, the IND application for the clinical trial of **UBT37034 for Injection, a Class-I innovative drug**, for the indication of overweight or obesity, received implied approval from the NMPA.
- In November, the Phase II clinical study of **TUL01101 Tablets, a Class-I innovative drug**, was completed in Chinese adult subjects with moderate to severe atopic dermatitis, achieving its predefined goals.
- In December, the NDA for **Levofloxacin Eye Drops** (specification: 0.488% (5ml:24.4mg)) was approved by the NMPA.
- In December, the NDA for **Moxifloxacin Hydrochloride Eye Drops** (specifications: 0.5% (3ml:15mg), 0.5% (5ml:25mg)) was approved by the NMPA.

During the year, the Group's Ceftriaxone Sodium for Injection (specifications: 1.0g; 2.0g), Cefotaxime Sodium for Injection (specifications: 1.0g; 2.0g), Amoxicillin Sodium and Clavulanate Potassium for Injection (0.6g; 1.2g), and Cefoperazone Sodium and Sulbactam Sodium for Injection (2.0g) successively passed the consistency evaluation. The Group will continue to increase its efforts in new drug development and generic drug consistency evaluations to further consolidate its market position.

Out-Licensing

The Group achieved significant progress in advancing the global presence of its innovative drugs. In March 2025, the Group entered into an exclusive license agreement with Novo Nordisk A/S for UBT251, a triple agonist targeting the GLP-1 (glucagon-like peptide-1) receptor, GIP (glucose-dependent insulinotropic polypeptide) receptor, and GCG (glucagon) receptor. Under the Agreement, the Group granted Novo Nordisk A/S the rights to develop, manufacture, and commercialise UBT251 globally (excluding Mainland China, Hong Kong SAR, Macao SAR, and Taiwan). The Group has received an upfront payment of US\$180 million (after deduction of Danish withholding tax) and is eligible to receive potential milestone payments of up to USD1.8 billion, as well as tiered royalties based on annual net sales in the licensed regions. This collaboration marks a significant step in deepening The United Laboratories' global strategic layout and represents an important milestone in the Group's innovative transformation.

Class-I new drugs under development

Project	Category	Indication	Phase
UBT251 Injection	Chemical drug	Overweight/Obesity	Clinical trial
UBT251 Injection	Chemical drug	Diabetes	Clinical trial
UBT251 Injection	Chemical drug	MASH	Clinical trial
UBT251 Injection	Chemical drug	Chronic kidney disease	Clinical trial
UBT251 Injection	Chemical drug	OSA	Clinical trial
UBT37034 for Injection	Chemical drug	Overweight/Obesity	IND approved (United States) Clinical trial (PRC)
UBT38006 Injection	Biological drug	Diabetes	IND
UBT48128 Oral Preparation	Chemical drug	Diabetes/Weight management	Pre-clinical study
Lp(a) Hypolipidemic Drug	Chemical drug	Hyperlipoproteinemia, atherosclerosis, aortic valve stenosis, etc.	Pre-clinical study
Interleukin-2 Fusion Protein	Biological drug	Vitiligo, alopecia areata, other autoimmune diseases	Pre-clinical study
UBT49003	Biological Drug	Acute Lung Injury/Acute Respiratory Distress Syndrome (ALI/ARDS), Sepsis, Inflammatory Bowel Disease	Pre-clinical study
UBT506	Biological Drug	Eczema, Asthma	Pre-clinical study
TUL01101 Tablets	Chemical drug	Rheumatoid arthritis	Clinical trial
TUL01101 Tablets	Chemical drug	Moderate to severe atopic dermatitis	Clinical trial
TUL01101 Ointment	Chemical drug	Atopic dermatitis	Clinical trial
TUL321 Capsules	Chemical drug	IgA nephropathy	IND
TUL12101 Eye Drops	Chemical drug	Xerophthalmia	Clinical trial
TUL108 for Injection	Chemical drug	Drug-resistant bacterial infection	IND approved (United States) IND (PRC)
LB2332	Chemical drug	Fungal infection	Pre-clinical study
LB2249	Chemical drug	Fat loss and muscle gain	Pre-clinical study
LB2237	Chemical drug	Hyperlipidemia	Pre-clinical study
LB2343	Chemical drug	Drug-resistant bacterial infection	Pre-clinical study

FINANCIAL REVIEW

Financial Results

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB13,210.6 million, representing a year-on-year decrease of 4.0%. Gross profit was RMB5,514.1 million, representing a year-on-year decrease of 9.3%. EBITDA was approximately RMB3,247.2 million, representing a year-on-year decrease of 17.6%. Profit attributable to owners of the Company was RMB2,085.9 million, representing a year-on-year decrease of 21.6%. Earnings per share were RMB110.65 cents. The Board recommended the payment of a final dividend of RMB26 cents per share for the year ended 31 December 2025. Together with the interim dividend of RMB16 cents per share already paid, the total dividend for the year was RMB42 cents per share.

During the year, segmental revenue (including inter-segment sales) of Intermediate products, Bulk medicine and Finished products decrease by 31.4%, decrease by 19.8% and increase by 41.7% respectively as compared with 2024. Segmental profit decreased by 79.4%, decrease by 53.4% and increase by 455.3% year-on-year respectively. The segment profit of Intermediate products and Bulk medicine decreased significantly are mainly due to decline in the market prices of the product.

Optimising Financial Structure

In terms of finance, the Group continuously optimised its financial structure to improve liquidity by adjusting the mix of onshore and offshore borrowings, balancing long-term and short-term borrowings to reduce the finance expenses and enhance financial flexibility and efficiency in the utilisation of funds and maintain robust financial position. During the year, the Group has used Renminbi as the main borrowing currency to reduce the risk of exchange rate fluctuation and finance costs. For the year ended 31 December 2025, the finance cost of the Group amounted RMB69.7 million, representing a year-on-year increase of 99.5%. Borrowing costs of RMB57.5 million (2024: RMB40.4 million) was capitalised during the year.

As at 31 December 2025, the Group's net bank balances and cash (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB4,027.1 million (2024: RMB2,139.7 million).

Liquidity and Financial Resources

As at 31 December 2025, the Group had pledged bank deposits, bank balances and cash amounted to approximately RMB11,234.9 million (2024: RMB7,364.2 million).

As at 31 December 2025, the Group had interest-bearing borrowings of approximately RMB4,979.3 million (2024: RMB3,138.3 million) denominated in Renminbi, of which borrowings of approximately RMB2,106.5 million with maturity within one year. Borrowings of approximately RMB523.5 million is on a fixed rate basis while the remaining balance of approximately RMB4,455.8 million is on a floating rate basis. The directors expect that all such borrowings will either be repaid by internally generated funds or rolled over upon maturity and provide sustainable funding to the Group's operations.

As at 31 December 2025, current assets of the Group amounted to approximately RMB18,469.5 million (2024: RMB16,070.7 million). Net current assets increased from RMB7,298.1 million as at 31 December 2024 to RMB8,390.4 million as at 31 December 2025. The Group's current ratio was approximately 1.83 as at 31 December 2025 (2024: 1.83). As at 31 December 2025, the Group had total assets of approximately RMB30,900.5 million (2024: RMB25,833.1 million) and total liabilities of approximately RMB13,425.2 million (2024: RMB11,397.8 million). Equity attributable to owners of the Company increased from RMB14,388.3 million at 31 December 2024 to RMB17,393.0 million at 31 December 2025. As at 31 December 2025, the Group's net bank balances and cash (after deducting bank borrowings and trade payables under supplier finance arrangement) amounted to RMB4,027.1 million (2024: RMB2,139.7 million).

Currency Exchange Exposures

The Group's purchases and sales are mainly denominated in Renminbi, United States dollars and Hong Kong dollars. The operating expenses of the Group are mainly denominated in Renminbi and Hong Kong dollars. The Group's borrowings are denominated in Renminbi. The Group's treasury policy is in place to monitor and manage its exposure to fluctuation in exchange rates. Besides, the Group will conduct periodic review of its exposure to foreign exchange risk and may use financial instrument for hedging purpose when considered appropriate.

Employees and Remuneration

As at 31 December 2025, the Group had approximately 18,000 (2024: 17,000) employees in Hong Kong and Mainland China. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

The Company has adopted a share award scheme in October 2023 and granted a total of 12,096,900 award shares to selected directors and employees, vesting in three years, to encourage and retain such individuals for the continual operation and development of the Group. As at 31 December 2025, the scheme has completed two vests of the award shares.

Contingent Liabilities

As at 31 December 2025 and 2024, the Group had no material contingent liabilities.

Placing of New Shares

On 25 July 2025, The Company completed the placing of an aggregate of 156,000,000 new shares to not less than six places at the placing price of HK\$14.16 per share. The gross proceeds and the net proceeds (after deduction of the relevant expenses and fees) from the Placing amounted to HK\$2,209.0 million and HK\$2,168.2 million (equivalent to RMB1,989.9 million), respectively.

The Company intends to allocate the net proceeds from the placing as follows:

- (a) approximately 60%, or HK\$1,300.9 million, will be used for capital expenditure related to the construction and expansion of the Company's manufacturing facilities, including the Inner Mongolia plant and the Zhuhai plants, strengthen external collaboration, expand the Company's international business, as well as other general corporate purposes; and
- (b) approximately 40%, or HK\$867.3 million, will be used for research and development of innovative product candidates, including the clinical trial of UBT251, and other pipelines under development.

As at 31 December 2025, proceeds from the placing have been used as:

- approximately RMB753.9 million for capital expenditure related to the construction and expansion of the manufacturing facilities, strengthen external collaboration, expand the international business, as well as other general corporate purposes; and
- approximately RMB226.0 million for for research and development of innovative product candidates and other pipelines under development.

The remaining proceeds from the placing are expected to be fully utilised on or before 31 December 2028. Such expected time frame is based on the Board's best assessment, and is subject to adjustment depending on the Company's future development, market conditions and prevailing business circumstances.

Litigations

Reference is made to the Company's announcements dated 9 August 2019, 14 August 2019 and 9 November 2023 in relation to the investment and cooperation agreement with 恒大地產集團成都有限公 司 (Evergrande Real Estate Group (Chengdu) Limited) ("Evergrande (Chengdu)"). The Group applied for the commencement of an action against, among others, Evergrande (Chengdu) on 7 March 2023 in the Guangzhou Intermediate People's Court for recovery of the outstanding consideration receivables of approximately RMB340 million and relevant damages and received a notice of acceptance on 14 March 2023 (the "Action"). Due to the large number of actions against China Evergrande Group commenced in the Guangzhou Intermediate People's Court, the Action is handled by the Chengdu Intermediate People's Court. The Chengdu Intermediate People's Court heard the case on 6 June 2024 and handed down the judgement dated 28 December 2024 allowing the Group's claim of approximately RMB136.3 million but rejecting other claims of the Group. The Group appealed to the Sichuan Province Higher People's Court against the judgement. The Sichuan Province Higher People's Court heard the case on 21 May 2024. On 27 September 2025, a final judgement was handed down that Evergrande (Chengdu) should pay approximately RMB166.5 million to the Group. As of today, the Group has not received payment from Evergrande (Chengdu) .

Save for the above, there was no other material litigations during the Year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Board is of the view that best corporate governance is crucial to safeguard the interests of shareholders and to enhance the Group's performance. The Board is dedicated to maintaining and ensuring a high standard of corporate governance. For the year ended 31 December 2025, the Company has applied and complied with the applicable code provisions set out in the Corporate Governance Code ("CG Code") and Corporate Governance Report contained in Appendix C1 of Listing Rules, except for deviation which is summarised below:

– Code Provision C.2.1

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the year ended 31 December 2025, the Company did not have a chief executive officer. The Company will make appointment to fill the post as appropriate.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. Following a specific enquiry, all directors confirmed that they have complied with the required standards set out in the Model Code throughout the year covered by this announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises three independent non-executive directors, namely Mr. Chong Peng Oon, Prof. Song Ming and Dr. Fu Qiushi. The Audit Committee has reviewed with the management of the Company the consolidated financial statements for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to the final dividend and the special dividend, the Register of Members of the Company will be closed on Thursday, 9 July 2026 and Friday, 10 July 2026 on which no transfer of shares will be registered. In order to qualify for the final dividend and the special dividend (record date being Friday, 10 July 2026), all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 8 July 2026.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises (1) Mr. Tsoi Hoi Shan, Mr. Leung Wing Hon, Ms. Choy Siu Chit, Mr. Fang Yu Ping, Ms. Zou Xian Hong and Ms. Zhu Su Yan as executive directors; and (2) Mr. Chong Peng Oon, Prof. Song Ming and Dr. Fu Qiushi as independent non-executive directors.