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Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 950)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHT

	Six months ended 30 June		
	2026	2025	**Change**
	HK$'000	*HK$'000*	
Revenue	**796,566**	694,821	+14.6%
Gross profit	**447,450**	360,053	+24.3%
Profit attributable to the owners of the Company	**95,014**	67,185	+41.4%
	HK cents	*HK cents*	
Earnings per share			
Basic	**16.14**	11.41	+41.5%
Diluted	**16.13**	11.41	+41.4%
Interim dividend per share	**3.50**	2.20	

* *For identification purpose only*

INTERIM FINANCIAL STATEMENTS

The directors (the "**Directors**") of Lee's Pharmaceutical Holdings Limited (the "**Company**") present herewith the unaudited consolidated interim financial results (the "**Interim Results**") of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025. The Interim Results are unaudited, but have been reviewed by the Company's auditor, Confucius International CPA Limited (the "**Auditor**") in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The audit committee of the Company has also reviewed with the management and the Auditor the Interim Results before recommending it to the board of Directors (the "**Board**") for approval.

BUSINESS REVIEW

Revenue and Profit

For the six months ended 30 June 2026 ("**Reporting Period**"), the Group's revenue amounted to HK$796,566,000, representing a year-on-year increase of 14.6% from HK$694,821,000 for the corresponding period in 2025. Revenue from licensed-in products increased by 24.3% to HK$337,370,000 (corresponding period in 2025: HK$271,317,000), with the main contributors being Ferplex® (菲普利®), Bredinin® (布累迪寧®), Trittico® (曲特恪®) and Teglutik® (芮舒延®). Revenue from proprietary and generic products increased by 8.4% to HK$459,196,000 (corresponding period in 2025: HK$423,504,000), with the main contributors being Socazolimab Injection (善克鈺®), following the addition of its extensive-stage small-cell lung cancer indication, Yallaferon® (尤靖安®), Treprostinil Injection (芮旎爾®), Azilsartan Tablets (憩曇平®) and Fondaparinux Sodium Injection (立暢青®), which together offset the decline in Nadroparin Calcium Injection (立騰菁®) arising from volume-based procurement ("**VBP**") pricing.

During the Reporting Period, licensed-in products contributed approximately 42.4% of the Group's revenue (corresponding period in 2025: 39.0%), while proprietary and generic products accounted for the remaining 57.6% (corresponding period in 2025: 61.0%).

Gross profit for the Reporting Period was HK$447,450,000 (corresponding period in 2025: HK$360,053,000), an increase of 24.3%. Gross profit margin improved by 4.4 percentage points to 56.2% (corresponding period in 2025: 51.8%), reflecting an improved product mix weighted towards higher-margin specialty and licensed-in products, together with continued manufacturing yield and cost improvements at the Group's production sites.

Other income increased to HK$170,086,000 (corresponding period in 2025: HK$16,318,000). The increase was principally attributable to (i) operating subsidy income of HK$136,933,000 and research and development ("**R&D**") service income of HK$6,590,000 recognised by Nova Pneuma Incorporated ("**NPI**"), the Group's wholly-owned subsidiary in the United States, which acquired the Staccato® inhalation platform and related assets in December 2025 and received funding from its collaboration partner to support the operation and development of the drug-device platform during the Reporting Period; and (ii) compensation income of HK$7,800,000 (corresponding period in 2025: Nil), representing a one-off payment received pursuant to a commercial settlement and market transition arrangement relating to the termination of a licensed-in business.

R&D expenditure continued to support new drug development across the Group's key therapeutic areas, including cardiovascular health, women's health, paediatrics, rare diseases, dermatology and obstetrics, as well as the newly acquired inhalation drug-device platform, while development activities in oncology are undertaken through a dedicated unit within the Group. An aggregate of approximately HK$204,484,000 was incurred during the Reporting Period (corresponding period in 2025: HK$159,756,000), an increase of 28.0%, of which HK$152,583,000 (corresponding period in 2025: HK$41,611,000) was recognised as an expense and approximately HK$51,901,000 (corresponding period in 2025: HK$118,145,000) was capitalised as intangible assets. Capitalised items during the Reporting Period included HK$365,000 (corresponding period in 2025: HK$66,221,000) related to scaling up PD-L1 production. The disproportionate increase in the expensed portion mainly reflects a shift in the pipeline mix towards earlier-stage projects. The inhalation drug-device platform was the single largest area of R&D activity during the Reporting Period, driven principally by the Staccato® Alprazolam project, which is advanced with the support of the collaboration partner through the operating subsidy referred to above. Separately, the Group continued its own development of Staccato® Fentanyl for oncology pain management. Oncology remained the Group's other principal focus during the Reporting Period. While total oncology spending moderated as the PD-L1 registrational project progressed towards completion, activity shifted materially towards the Group's antibody-drug conjugate ("**ADC**") platform. In rare diseases, activity was led mainly by the Group's synthetic surfactant project, in respect of which the Group announced in June 2026 that it would receive funding from the Gates Foundation. Development activity on the more mature cardiovascular, dermatology and obstetrics portfolios was maintained at a lower level, consistent with the advanced stage of those projects.

Selling and distribution expenses amounted to HK$180,462,000 for the Reporting Period, an increase of HK$27,883,000 or 18.3% compared with HK$152,579,000 for the corresponding period in 2025. The selling expenses to revenue ratio was 22.7%, broadly stable against 22.0% for the corresponding period in 2025, notwithstanding the launch and channel-building activities undertaken for newly approved products.

Administrative expenses totalled HK$186,140,000 for the Reporting Period (corresponding period in 2025: HK$101,600,000), an increase of HK$84,540,000 or 83.2%. The increase was principally attributable to the inclusion of a full six months of NPI's United States operations following the acquisition completed in December 2025, together with the associated regulatory, quality and integration costs.

Overall, profit attributable to the owners of the Company for the Reporting Period amounted to HK$95,014,000, representing an increase of 41.4% compared with HK$67,185,000 for the corresponding period in 2025.

Manufacturing Facilities and Production Capability

During the Reporting Period, the Group's two manufacturing sites in the People's Republic of China ("**PRC**"), located in Hefei and Nansha, continued to enhance production capability and operational efficiency, with improvements recorded in product yield, equipment reliability, energy efficiency and unit production cost.

At the Hefei site, the automated pre-filled production line continued to reduce manual intervention and to maintain consistency of product quality for the Group's VBP products, namely Fondaparinux Sodium Injection (立暢青®) and Nadroparin Calcium Injection (立騰菁®), in respect of which product yields recorded improvement. The site also further advanced vertical integration through the in-house manufacture of key active pharmaceutical ingredients and bulk drug substances, and provided support for technology transfer and validation activities in respect of the Group's development pipeline.

At the Nansha site, priority was accorded to increasing production throughput in order to meet growing market demand, principally through the expansion of production scale for Azilsartan Tablets (憩雲平®). The site also continued to identify and engage additional suppliers with a view to optimising its cost structure and strengthening the resilience of its supply chain.

Both of the Group's manufacturing sites in the PRC remain committed to advancing production through the improvement of product yields, the enhancement of energy efficiency, the reduction of costs and the strengthening of overall operational performance, so as to meet the requirements of an evolving market environment.

In the United States, the Group's Fremont facility in California, established following the acquisition of the Staccato® One Breath Technology® platform and the approval by the U.S. Food and Drug Administration authorising the relocation of the commercial manufacturing site, proceeded with the production of process performance qualification batches during the Reporting Period and continued its preparations for potential commercial supply.

The Group accordingly operates manufacturing sites in both the PRC and the United States, thereby establishing a more diversified and resilient production network which reinforces its commitment to growth and innovation.

Drug Development

The Group continues to maintain a focused project pipeline spanning early- to late-stage development, with resources concentrated on high-potential opportunities.

Major Therapeutic Areas

The Group continued to progress its late-stage programs during the Reporting Period, which include the ANDA for Mesalazine API import registration. The Group also continues to advance R&D projects in rare diseases, including Neridronate Sodium for Osteogenesis Imperfecta and Anfibatide for Thrombotic Thrombocytopenic Purpura, as well as the Staccato® Fentanyl drug-device combination product for oncology pain management.

Inhalation Drug Delivery Platform

Following the acquisition of the Staccato® One Breath Technology® platform and related assets in December 2025, NPI has been established as the Group's United States operating platform for inhalation drug delivery. The Group considers that the platform has potential application across a range of indications and supports the Group's global expansion strategy. NPI's principal activity during the Reporting Period related to Staccato® Alprazolam, in respect of which NPI conducts development and manufacturing readiness activities under the collaboration arrangement, with process performance qualification batches produced at the Group's Fremont facility. The acquisition also brought with it a portfolio of global Phase I and Phase II assets based on Staccato® One Breath Technology®, namely Apomorphine, Granisetron and Pramipexole, which further strengthens the Group's R&D portfolio.

Oncology Pipeline

COF, a 65% owned subsidiary of the Group, serves as the Group's dedicated oncology R&D arm and operates as a clinical development stage company specialising in immuno-oncology. Its lead product, Socazolimab Injection, is the Group's self-developed anti-PD-L1 monoclonal antibody and is approved by the National Medical Products Administration ("**NMPA**") for two indications.

Building on Socazolimab Injection, the Group advanced ZK2401, its first proprietary ADC candidate, during the Reporting Period. ZK2401 combines the Group's self-developed anti-PD-L1 antibody with a novel topoisomerase I inhibitor payload, and the Group owns the complete global intellectual property rights to the molecule. Subsequent to the end of the Reporting Period, on 29 July 2026, the investigational new drug application for ZK2401 in the PRC was accepted by the Center for Drug Evaluation of the NMPA. Leveraging the capabilities established through this program, the Group is advancing several monospecific and bispecific ADC molecules, representing a significant step towards expanding its innovation pipeline in immuno-oncology.

The Group also continues to advance its artificial intelligence-driven drug discovery program in respect of AU409, a candidate targeting advanced hepatocellular carcinoma, for which the Phase I clinical trial is in progress and nine-month stability testing of the newly manufactured clinical trial batch was completed during the Reporting Period.

New Product Approval

During the Reporting Period, the Group obtained two NMPA registration certificates, being Intrarosa® (茵若飒®) in March 2026 for the treatment of moderate to severe symptoms of vulvovaginal atrophy (excluding urinary symptoms) in postmenopausal women, and Melphalan Hydrochloride for Injection (50mg) in June 2026. The approval of Intrarosa® followed the successful completion of a Phase III, multicenter, randomised, double-blind, parallel-controlled clinical trial conducted by the Group's wholly-owned subsidiary, Zhaoke Pharmaceutical (Hefei) Co., Ltd. In addition, Melphalan Hydrochloride for Injection (50mg) was approved and is deemed to have passed the generic drug quality and efficacy consistency evaluation.

Sales and Marketing

During the Reporting Period, the sales and marketing team sustained the Group's growth trajectory, with decent revenue growth achieved across both the licensed-in and generic platforms. Accelerated product iteration, strategic portfolio marketing and strengthened commercial capabilities remain key indicators of the Group's core marketing competitiveness, while the clinical value, brand strength and market access attributes of the Group's products continue to be the primary drivers of sustained channel performance.

A total of 10 products are currently listed in the updated National Reimbursement Drug List ("**NRDL**"), reflecting the Group's ongoing commitment to expanding market access and improving patient affordability.

PROSPECTS

The Group enters the second half of 2026 from a stronger operating base, having recorded growth in both revenue and profit attributable to owners of the Company during the Reporting Period. The improvement in gross margin, together with the establishment of the Group's operations outside Greater China, provides a firmer foundation for the balance of the year.

Subsequent to the end of the Reporting Period, the Group entered into an exclusive licence-out and supply agreement with Ashlins Ocular Pharmaceuticals, Inc. in respect of Interferon Alpha-2b for all territories outside Mainland China, Hong Kong, Macau and Taiwan, under which the Group will receive an upfront payment and is eligible for development and annual commercial milestone payments. Taken together with the acceptance of the investigational new drug application for ZK2401, these developments are consistent with the Group's strategy of realising the value of its proprietary assets in international markets in the long run.

The Group intends to direct an increasing proportion of its R&D resources towards two proprietary technology platforms, being its inhalation drug delivery platform and its ADC platform. Each platform is capable of supporting multiple candidates from a common technology base, which the Group considers a more efficient application of development expenditure, and in each case the Group retains rights of sufficient scope to permit commercialisation through more than one channel. The Group's intention is accordingly twofold: to develop and commercialise selected candidates in the PRC and in other markets in which it maintains its own commercial infrastructure, and to pursue out-licensing, co-development or regional partnering arrangements in territories where it does not intend to establish a direct presence.

In addition, the Group expects additional products to be considered for inclusion in the NRDL or for VBP tendering. While such developments may give rise to pricing pressure on individual products, they also broaden patient access and support volume growth. The Group will continue to monitor policy developments in its principal markets, to allocate resources accordingly, and to pursue the disciplined expansion of its portfolio with a view to creating long-term value for shareholders.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	3	**796,566**	694,821
Cost of sales		**(349,116)**	(334,768)
Gross profit		**447,450**	360,053
Other income	4	**170,086**	16,318
Other gains and losses, net		**(3,455)**	(12,594)
Selling and distribution expenses		**(180,462)**	(152,579)
Administrative expenses		**(186,140)**	(101,600)
Provision for expected credit losses, net		**(1,295)**	(472)
Research and development expenses		**(152,583)**	(41,611)
Profit from operations		**93,601**	67,515
Finance costs		**(5,749)**	(6,352)
Share of results of associates		**(1,391)**	(488)
Profit before taxation	5	**86,461**	60,675
Taxation	6	**(23,599)**	(10,129)
Profit for the period		**62,862**	50,546
Attributable to:			
Owners of the Company		**95,014**	67,185
Non-controlling interests		**(32,152)**	(16,639)
		62,862	50,546
		HK cents	*HK cents*
Earnings per share	8		
Basic		**16.14**	11.41
Diluted		**16.13**	11.41

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**62,862**	50,546
Other comprehensive income/(expense):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries	**42,372**	45,887
Item that will not be reclassified subsequently to profit or loss:		
– Fair value changes of financial assets at fair value through other comprehensive income	**(46,100)**	192,523
Other comprehensive (expense)/income for the period, net of tax	**(3,728)**	238,410
Total comprehensive income for the period	**59,134**	288,956
Total comprehensive income/(expense) for the period attributable to:		
Owners of the Company	**92,659**	306,114
Non-controlling interests	**(33,525)**	(17,158)
	59,134	288,956

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	9	**364,567**	384,727
Intangible assets	9	**1,394,495**	1,345,297
Goodwill		**3,900**	3,900
Interests in associates	10	**968**	2,359
Financial assets at fair value through profit or loss		**11,942**	11,539
Financial assets at fair value through other comprehensive income		**490,349**	534,841
Deferred tax assets		**9,439**	11,906
		2,275,660	2,294,569
Current assets			
Inventories		**420,993**	364,426
Trade receivables	11	**215,704**	190,707
Other receivables, deposits and prepayment		**113,016**	174,796
Advance to associates		**–**	–
Tax recoverable		**398**	358
Cash and cash equivalents (excluding bank overdrafts)		**364,389**	349,896
		1,114,500	1,080,183
Assets classified as held for sale		**91,974**	89,105
		1,206,474	1,169,288
Current liabilities			
Trade payables	12	**250,240**	174,634
Other payables and accruals		**694,052**	717,277
Bank borrowings and overdrafts	13	**162,680**	214,061
Lease liabilities		**7,381**	9,098
Financial guarantee liabilities	18	**9,853**	12,885
Tax payables		**10,222**	2,242
		1,134,428	1,130,197
Net current assets		**72,046**	39,091
Total assets less current liabilities		**2,347,706**	2,333,660

	Notes	**At 30 June 2026** *HK$'000* **(unaudited)**	At 31 December 2025 *HK$'000* (audited)
Capital and reserves			
Share capital	14	**29,442**	29,442
Reserves		**2,095,863**	2,016,360
Equity attributable to the owners of the Company		**2,125,305**	2,045,802
Non-controlling interests		**(179,100)**	(145,575)
Total equity		**1,946,205**	1,900,227
Non-current liabilities			
Other payables and accruals		**62,919**	104,295
Bank borrowings	13	**73,799**	81,573
Lease liabilities		**5,980**	5,536
Retirement benefits		**141,710**	135,710
Deferred tax liabilities		**117,093**	106,319
		401,501	433,433
		2,347,706	2,333,660

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to the owners of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Merger difference *HK$'000*	Share-based compensation reserve *HK$'000*	Other reserves *HK$'000*	Investments revaluation reserve *HK$'000*	Exchange reserve *HK$'000*	Retained profits *HK$'000*	Sub-total *HK$'000*	Attributable to non-controlling interests *HK$'000*	Total *HK$'000*
At 1 January 2026 (audited)	**29,442**	**720,091**	**9,200**	**42,474**	**65,315**	**(2,453,625)**	**(77,902)**	**3,710,807**	**2,045,802**	**(145,575)**	**1,900,227**
Employee share option benefits	**–**	**–**	**–**	**387**	**–**	**–**	**–**	**–**	**387**	**–**	**387**
Share options lapsed	**–**	**–**	**–**	**(4,959)**	**–**	**–**	**–**	**4,959**	**–**	**–**	**–**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**95,014**	**95,014**	**(32,152)**	**62,862**
Other comprehensive income/ (expenses) for the period											
– Exchange differences on translation of financial statements of overseas subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**43,745**	**–**	**43,745**	**(1,373)**	**42,372**
– Fair value changes of financial assets at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(46,100)**	**–**	**–**	**(46,100)**	**–**	**(46,100)**
Total comprehensive income/(expenses) for the period	**–**	**–**	**–**	**–**	**–**	**(46,100)**	**43,745**	**95,014**	**92,659**	**(33,525)**	**59,134**
2025 final dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(13,543)**	**(13,543)**	**–**	**(13,543)**
At 30 June 2026 (unaudited)	**29,442**	**720,091**	**9,200**	**37,902**	**65,315**	**(2,499,725)**	**(34,157)**	**3,797,237**	**2,125,305**	**(179,100)**	**1,946,205**
At 1 January 2025 (audited)	29,442	720,091	9,200	46,963	65,315	(2,712,881)	(147,871)	3,641,540	1,651,799	(102,893)	1,548,906
Employee share option benefits	–	–	–	249	–	–	–	–	249	–	249
Share options lapsed	–	–	–	(5,004)	–	–	–	5,004	–	–	–
Profit for the period	–	–	–	–	–	–	–	67,185	67,185	(16,639)	50,546
Other comprehensive income/(expenses) for the period											
– Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	46,406	–	46,406	(519)	45,887
– Fair value changes of financial assets at fair value through other comprehensive income	–	–	–	–	–	192,523	–	–	192,523	–	192,523
Total comprehensive income/(expense) for the period	–	–	–	–	–	192,523	46,406	67,185	306,114	(17,158)	288,956
2024 final dividend paid	–	–	–	–	–	–	–	(14,721)	(14,721)	–	(14,721)
At 30 June 2025 (unaudited)	29,442	720,091	9,200	42,208	65,315	(2,520,358)	(101,465)	3,699,008	1,943,441	(120,051)	1,823,390

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Operating activities		
Cash generated from operations	**245,394**	192,906
Interest paid	**(5,135)**	(5,884)
Income tax paid	**(5,700)**	(2,709)
Net cash generated from operating activities	**234,559**	184,313
Investing activities		
Purchase of property, plant and equipment	**(38,850)**	(9,739)
Payment for construction in progress	**(13,904)**	(209)
Additions to development cost and license fees	**(89,753)**	(75,090)
Other cash flows arising from investing activities	**(4,209)**	(1,298)
Net cash used in investing activities	**(146,716)**	(86,336)
Financing activities		
Dividends paid	**(13,543)**	(14,721)
Other cash flows arising from financing activities	**(62,571)**	9,032
Net cash used in financing activities	**(76,114)**	(5,689)
Net increase in cash and cash equivalents	**11,729**	92,288
Cash and cash equivalents at 1 January	**345,448**	216,845
Effect of foreign exchange rate changes	**7,212**	(5,557)
Cash and cash equivalents at 30 June	**364,389**	303,576
Analysis of cash and cash equivalents:		
Cash and bank balances	**364,389**	303,576
Less: Bank overdrafts	**–**	–
	364,389	303,576

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. MATERIAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values as appropriate.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the six months ended 30 June 2026 are consistent with those used in the Group's annual financial statements for the year ended 31 December 2025 except as described below.

In the current reporting period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's unaudited condensed consolidated financial statements. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; HKASs; Hong Kong (IFRIC) Interpretations; Hong Kong Interpretations and Hong Kong (SIC) Interpretations.

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
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of these amendments to HKFRS Accounting Standards has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements[1]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

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

2 Effective date to be determined

The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a material impact on its results of operations and financial positions.

3. REVENUE AND SEGMENT INFORMATION

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

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the types of good delivered. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

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

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

Segment revenue and results

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

Six months ended 30 June

	Proprietary and generic products		Licensed-in products		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Segment revenue	**459,196**	423,504	**337,370**	271,317	**796,566**	694,821
Segment operating results	**193,703**	85,153	**75,446**	52,293	**269,149**	137,446
Research and development expenses	**(147,194)**	(25,713)	**(5,389)**	(15,898)	**(152,583)**	(41,611)
Impairment of intangible assets	**(2,847)**	–	**(3,468)**	–	**(6,315)**	–
Segment results	**43,662**	59,440	**66,589**	36,395	**110,251**	95,835
Unallocated income					**12,289**	8,276
Unallocated expenses					**(28,939)**	(36,596)
Profit from operations					**93,601**	67,515
Finance costs					**(5,749)**	(6,352)
Profit before share of results of associates					**87,852**	61,163
Share of results of associates					**(1,391)**	(488)
Profit before taxation					**86,461**	60,675
Taxation					**(23,599)**	(10,129)
Profit for the period					**62,862**	50,546

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current interim period (six months ended 30 June 2025: Nil).

Segment assets and liabilities

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

	Proprietary and generic products		Licensed-in products		Consolidated	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)
Segment assets	**1,676,983**	1,649,682	**971,915**	930,127	**2,648,898**	2,579,809
Unallocated assets					**833,236**	884,048
Total assets					**3,482,134**	3,463,857
Segment liabilities	**621,306**	592,252	**384,118**	425,629	**1,005,424**	1,017,881
Unallocated liabilities					**530,505**	545,749
Total liabilities					**1,535,929**	1,563,630

Geographical information

During both the six months ended 30 June 2026 and 2025, more than 90% of the Group's revenue was derived from activities conducted in the People's Republic of China (the "**PRC**"); accordingly, no geographical information on revenue is presented.

The following is an analysis of the Group's assets and liabilities by geographical market for the period/year:

	The PRC		Hong Kong and others		Total	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)
Total assets	**2,370,214**	2,138,424	**1,111,920**	1,325,433	**3,482,134**	3,463,857
Total liabilities	**907,532**	793,795	**628,397**	769,835	**1,535,929**	1,563,630

4. OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Compensation income	**7,800**	–
Interest income on bank deposits	**1,036**	1,134
Government and development grants	**442**	2,238
Operating subsidy income	**136,933**	–
Rental and utilities income	**9,445**	8,846
Research and development service income	**7,919**	–
Sundry income	**6,511**	4,100
	170,086	16,318

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

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

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging the following items:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment (including right-of-use assets)	**44,505**	35,449
Amortisation of intangible assets	**52,133**	36,701
Total depreciation and amortisation	**96,638**	72,150
Interest expenses on borrowings and overdrafts	**5,011**	5,656
Interest expenses on lease liabilities	**305**	461
Share-based payments	**387**	249
– Directors	**373**	224
– Employees	**14**	25

6. TAXATION

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax		
Hong Kong Profits Tax	**956**	3,817
PRC Enterprise Income Tax	**12,526**	1,787
United States Corporate Income Tax	**10**	–
	13,492	5,604
Under provision in prior years		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**2**	12
	2	12
Deferred tax		
Origination/(Reversal) of temporary difference	**10,105**	4,513
	23,599	10,129

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25% and profits above HK$2 million will be taxed at 16.5%. Profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimate assessable profits and at 16.5% on the estimate assessable profits above HK$2 million.

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% (2025: 25%) on the estimated assessable profits for the year, if applicable, based on existing legislation, interpretations and practices in respect thereof, except for two (2025: one) subsidiaries which are entitled to preferential tax treatment of 15% (2025: 15%) for three years upon grant of the certificates as they are qualified as "new high-technology enterprise".

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

7. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interim dividend declared – HK$0.035 (2025: HK$0.022) per ordinary share based on issued share capital at the end of the reporting period	**20,609**	12,954

Interim dividend will be paid on 16 October 2026 to shareholders registered in the Company's register of members as at the close of business on 30 September 2026. This dividend was declared after the interim reporting date, and therefore has not been included as a liability in the condensed consolidated statement of financial position. 2025 final dividend of HK$0.023 per share, totalling HK$13,543,000 was paid on 15 June 2026.

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings:		
Net profit attributable to the owners of the Company for the purpose of basic and diluted earnings per share	**95,014**	67,185

	For the six months ended 30 June	
	2026	2025
	Share(s)'000	*Share(s)'000*
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**588,835**	588,835
Effect of dilutive potential ordinary shares:		
Options	**129**	6
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**588,964**	588,841

9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2026, the Group entered into a number of lease agreements and therefore recognised the additions to right-of-use assets of approximately HK$4 million (six months ended 30 June 2025: approximately HK$5 million).

(b) Owned property, plant and equipment

During the six months ended 30 June 2026, additions to owned property, plant and equipment amount to approximately HK$10 million (six months ended 30 June 2025: approximately HK$10 million).

(c) Intangible assets

During the six months ended 30 June 2026, additions to intangible assets amount to approximately HK$76 million (six months ended 30 June 2025: approximately HK$118 million), which consist of license fees, patent acquisition cost and development cost.

During the six months ended 30 June 2026, there is HK$6,315,000 (six months ended 30 June 2025: HK$Nil) impairment provision on intangible assets recognised in profit or loss.

10. INTERESTS IN ASSOCIATES

The movements in the Group's interests in associates during the reporting period/year are as follows:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
At beginning of the period/year	**2,359**	4,206
Share of post-acquisition loss	**(1,391)**	(1,847)
At end of the period/year	**968**	2,359

Details of the Group's associates at the end of the reporting period/year are as follows:

Name of associate	Place of incorporation/ operations	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	
Powder Pharmaceuticals Incorporated	British Virgin Islands/ Hong Kong	**33.92%**	33.92%	**33.92%**	33.92%	Development, manufacturing and sale of pharmaceutical products
ZERO Biotech Company Limited	Hong Kong/ Hong Kong	**29.25%**	29.25%	**29.25%**	29.25%	Operation of a central pharmacy for compounding radiopharmaceuticals

11. TRADE RECEIVABLES

The Group allows an average credit period of 30–120 days to its trade customers.

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

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
0–30 days	**137,672**	99,229
31–120 days	**76,941**	89,778
121–180 days	**646**	1,048
181–365 days	**401**	633
Over 365 days and under 3 years	**44**	19
	215,704	190,707

12. TRADE PAYABLES

The average credit period on purchases of certain goods is 90 days.

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0–90 days	**97,877**	134,786
91–180 days	**91,093**	26,198
181–365 days	**54,746**	13,417
Over 365 days	**6,524**	233
	250,240	174,634

13. BANK BORROWINGS AND OVERDRAFTS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current		
Bank overdrafts – secured	**–**	4,448
Bank borrowings – secured	**136,369**	155,912
Bank borrowings – unsecured	**26,311**	47,851
Bill payables – secured	**–**	5,850
	162,680	214,061
Non-current		
Bank borrowings – secured	**57,181**	63,909
Bank borrowings – unsecured	**16,618**	17,664
	73,799	81,573
Total	**236,479**	295,634
Carrying amount of the bank borrowings and overdrafts are repayable *(Note a)*:		
Within one year	**137,680**	184,061
More than one year but not exceeding two years	**33,345**	19,858
More than two years but not exceeding five years	**65,454**	91,715
	236,479	295,634

Note:

a. The table is based on the agreed repayment schedule provided by banks.

Bank borrowings and overdrafts carry floating interest rates which are adjusted with reference to Hong Kong Interbank Offered Rate or Loan Prime Rate at both 30 June 2026 and 31 December 2025. As at 30 June 2026, the effective interest rates of the Group's bank borrowings ranged from 2.50% to 5.50% (31 December 2025: 2.40% to 5.62%) per annum.

The Group's bank borrowings and overdrafts are denominated in the following currencies:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Hong Kong Dollars	**174,050**	189,325
Renminbi	**42,929**	65,515
United States Dollars	**19,500**	40,794
	236,479	295,634

14. SHARE CAPITAL

	Number of shares		**Share capital**	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
			HK$'000	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Authorised:				
Ordinary shares of HK$0.05 each	**1,000,000,000**	1,000,000,000	**50,000**	50,000
Issued and fully paid:				
At beginning and end of the period/year	**588,835,343**	588,835,343	**29,442**	29,442

15. RELATED PARTY TRANSACTIONS

During the reporting period, the Group entered into the following transactions with related parties. In the opinion of the directors of the Company, the following transactions arose in the ordinary course of the Group's business.

(a) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the reporting period was as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Short-term employee benefits	**17,724**	14,648
Share-based payments	**373**	224
Retirement and other post-employment benefits	**6,009**	7,009
– Defined contribution plan	**9**	9
– Retirement benefits	**6,000**	7,000
	24,106	21,881

(b) Donation to Lee's Pharmaceutical – Kanya Lee Scholarship Limited ("Kanya Lee Scholarship")

During the six months ended 30 June 2026, total HK$100,000 (six months ended 30 June 2025: HK$200,000) was donated to Kanya Lee Scholarship. Ms. Leelalertsuphakun Wanee and Ms. Lee Siu Fong, directors of the Company, are also members of key management of Kanya Lee Scholarship and Kanya Lee Scholarship is considered as a related party to the Group.

(c) Transactions with associates

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Service expenses	**525**	1,426

(d) Investments in Unlisted Limited Partnership Interests

The Company entered into subscription agreements in year 2018 and year 2021, respectively, to subscribe for limited partnership interests in two unlisted funds (the "**Funds**") for a total consideration of US$10 million (approximately HK$78 million). The Funds, at the time of the subscription, did not constitute related parties of the Group. Following the appointment of Mr. Huang Zuie-Chin ("**Mr. Huang**"), the founding managing partner of the Funds, as a non-executive director of the Company with effect from 2 July 2024, the Funds have therefore become related parties of the Group.

In May 2026, Zhaoke Pharmaceutical (Hefei) Co. Limited, an indirect wholly-owned subsidiary of the Company, entered into a subscription agreement to subscribe for limited partnership interest in an unlisted fund (the "**Fund**", together with the Funds collectively referred to as "**the Relevant Funds**") for a total consideration of RMB25 million (approximately HK$29 million), details of which have been disclosed in the announcement dated 11 May 2026. Mr. Huang is appointed as the representative of the general partner of the Fund ("**General Partner**") and is appointed as a member of the investment committee of the Fund. As such, the General Partner is considered an associate of Mr. Huang, and hence also a connected person of the Company under Chapter 14A of the Listing Rules and a related party to the Group.

During the six months ended 30 June 2026, the Group contributed a total of US$17,000 (approximately HK$133,000) and RMB1,250,000 (approximately HK$1,428,000) (six months ended 30 June 2025: US$315,000 (approximately HK$2,457,000)) to the Relevant Funds. As at 30 June 2026, the Group had paid an aggregate investment amount of US$9,533,000 (approximately HK$74,357,000) and RMB1,250,000 (approximately HK$1,428,000).

16. CAPITAL COMMITMENTS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Capital commitments contracted for:		
Investment in financial assets at fair value through other comprehensive income	**31,052**	3,776
Intangible assets – license fee and development cost	**247,820**	199,064
Property, plant and equipment	**31,803**	10,963
	310,675	213,803

17. PLEDGE OF ASSETS

There were no assets being pledged as at 30 June 2026 and 31 December 2025.

18. CONTINGENT LIABILITIES

As at 30 June 2026, the Group had contingent liabilities amounting to HK$53,000,000 (31 December 2025: HK$53,000,000) in respect of financial guarantees given to a bank for the banking facilities granted to an associate. A total of HK$9,853,000 (31 December 2025: HK$12,885,000) has been utilised by the associate.

During the six months ended 30 June 2026, the Group has settled its guarantee obligations in cash for HK$3,000,000 (2025: HK$Nil). The directors of the Company have performed an assessment on the associate and consider the probability of default remains high. Accordingly, HK$9,853,000 provision has been made by 30 June 2026 (31 December 2025: HK$12,885,000). For the six months ended 30 June 2026, total provision credited to the profit or loss is HK$32,000 (2025: provision credited HK$139,000).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board recommended an interim dividend of HK$0.035 (2025: HK$0.022) per share to shareholders registered in the Company's register of members as at the close of business on Wednesday, 30 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 29 September 2026 to Wednesday, 30 September 2026 (both days inclusive). In order to establish entitlements to the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 28 September 2026. Interim dividend will be paid on Friday, 16 October 2026 to shareholders registered in the Company's register of members as at the close of business on Wednesday, 30 September 2026.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026.

Looking forward, the Board will continue to conduct reviews on the Company's corporate governance practices from time to time to ensure compliance with the CG Code.

PUBLICATION OF FINANCIAL INFORMATION

The interim report for the six months ended 30 June 2026 containing all the detailed information will be dispatched to the shareholders of the Company and published on the respective websites of The Stock Exchange of Hong Kong Limited (https://www.hkexnews.hk) and the Company (https://www.leespharm.com) in due course.

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

Hong Kong, 31 August 2026

As at the date of this announcement, Ms. Lee Siu Fong (Chairman) and Ms. Leelalertsuphakun Wanee are executive Directors; Dr. Li Xiaoyi, Mr. James Charles Gale and Mr. Huang Zuie-Chin are non-executive Directors; Dr. Chan Yau Ching, Bob, Ms. Cheang Yee Wah, Eva and Dr. Tsim Wah Keung, Karl, are independent non-executive Directors.