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GIANT BIOGENE HOLDING CO., LTD

巨子生物控股有限公司

(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock code: 2367)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Changes
	2024	2023	
	RMB million	RMB million	
Revenue	5,538.8	3,524.1	57.2%
Gross profit	4,546.9	2,947.1	54.3%
Profit before tax	2,457.8	1,745.1	40.8%
Net profit	2,061.7	1,448.2	42.4%
Earnings attributable to the owners of parent company	2,062.3	1,451.8	42.1%
Adjusted net profit for the year (non-IFRS measure)	2,151.5	1,468.7	46.5%
Basic earnings per Share (RMB yuan)	2.10	1.49	40.9%
Diluted earnings per Share (RMB yuan)	2.06	1.48	39.2%

The Board proposed to distribute final dividends of RMB0.6021 per ordinary share and proposed to distribute special dividends of RMB0.5921 per ordinary share.

The board (the “**Board**”) of directors (the “**Directors**”) of Giant Biogene Holding Co., Ltd (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) with the comparative figures for the corresponding period in 2023. The above annual results have been prepared in accordance with IFRS Accounting Standards and have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
REVENUE	4	5,538,812	3,524,143
Cost of sales		(991,897)	(577,006)
Gross profit		4,546,915	2,947,137
Selling and distribution expenses		(2,008,239)	(1,164,499)
Administrative expenses		(150,543)	(96,661)
Research and development costs		(106,499)	(74,968)
Other expense		(2,539)	(398)
Other income	4	138,745	102,963
Other gains or losses, net	5	43,846	30,927
Finance cost		(239)	(112)
Provision for impairment losses on financial assets, net		(92)	700
Share of losses of investments accounted for using the equity method		(3,601)	–
PROFIT BEFORE TAX	6	2,457,754	1,745,089
Income tax expense	7	(396,027)	(296,887)
PROFIT FOR THE YEAR		2,061,727	1,448,202
Attributable to:			
Owners of the parent		2,062,347	1,451,753
Non-controlling interests		(620)	(3,551)
Total		2,061,727	1,448,202
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods: Exchange differences on translation of foreign operations		(7,532)	–
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: Translation of the Company’s functional currency to presentation currency		19,301	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		11,769	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		2,073,496	1,448,202

		Year ended 31 December	
	<i>Notes</i>	2024	2023
		RMB'000	RMB'000
Attributable to:			
Owners of the parent		2,074,116	1,451,753
Non-controlling interests		(620)	(3,551)
		<u>2,073,496</u>	<u>1,448,202</u>
 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
	9		
Basic (RMB yuan)		2.10	1.49
Diluted (RMB yuan)		2.06	1.48
		<u>2.06</u>	<u>1.48</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		1,041,771	663,469
Other intangible assets		5,816	7,357
Right-of-use assets		51,022	48,155
Prepayments, other receivables and other assets, non-current	12	525,050	117,908
Investments accounted for using the equity method		11,436	–
Deferred tax assets		906	1,110
		<hr/>	<hr/>
Total non-current assets		1,636,001	837,999
CURRENT ASSETS			
Inventories	10	310,814	200,440
Trade and bills receivables	11	141,282	102,029
Prepayments, other receivables and other assets, current	12	91,014	53,835
Financial assets at fair value through profit or loss ("FVTPL")	13	1,828,640	1,274,776
Cash and cash equivalents	14	4,030,207	2,503,999
		<hr/>	<hr/>
Total current assets		6,401,957	4,135,079
CURRENT LIABILITIES			
Trade payables	15	286,708	133,109
Other payables and accruals	16	408,890	241,966
Tax payable		117,018	116,720
Lease liabilities-current		4,701	1,563
Deferred income		1,561	1,503
Contract liabilities	17	17,117	35,751
		<hr/>	<hr/>
Total current liabilities		835,995	530,612
NET CURRENT ASSETS		<hr/> 5,565,962	<hr/> 3,604,467
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 7,201,963	<hr/> 4,442,466

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities-non current	2,009	1,166
Deferred income	18,934	19,575
Deferred tax liabilities	61,198	50,675
	<hr/>	<hr/>
Total non-current liabilities	82,141	71,416
	<hr/>	<hr/>
Net assets	7,119,822	4,371,050
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Ordinary share capital	65	63
Treasury shares	(1)	(1)
Reserves	7,108,148	4,362,078
	<hr/>	<hr/>
	7,108,212	4,362,140
	<hr/>	<hr/>
Non-controlling interests	11,610	8,910
	<hr/>	<hr/>
Total equity	7,119,822	4,371,050
	<hr/>	<hr/>

NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Giant Biogene Holding Co., Ltd (the “**Company**”) was incorporated in the Cayman Islands on 28 July 2021 as a limited liability company. The registered office of the Company is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 4 November 2022.

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally engaged in the research, development, manufacture and sale of bioactive material-based beauty and health products in the People’s Republic of China (the “**PRC**”).

2. ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) as issued by the International Accounting Standards Board (the “**IASB**”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> <i>(the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group’s financial statements.

Change of functional currency

In prior years based on the primary source of income from Mainland China, the board of directors regarded RMB as the functional currency of the Company. From 2024, the Company has had more operating and financing activities denominated in USD. Considering the above reasons, the board of directors have determined to change the functional currency of the Company from RMB to USD from 1 January 2024 accordingly, while the presentation currency of the Company remains unchanged as RMB. The change in functional currency of the Company was applied prospectively from the date of change in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, in the consolidated financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ² <i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

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

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

⁴ No mandatory effective date yet determined but available for adoption

The application of IFRS 18 will have no impact on the consolidated statements of financial position of the Group, but will have impact on the presentation of the consolidated statements of profit or loss and other comprehensive income. Except for IFRS 18, the directors of the Company anticipate that these revised IFRSs are not expected to have a material impact on the Group’s financial performance and financial position in the foreseeable future.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into one single business unit that primarily includes the research, development, manufacture and sale of bioactive material-based beauty and health products.

The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the year, all of the Group's revenue was derived from customers located in Mainland China and all of the Group's non-current assets were located in Mainland China, and therefore no geographical segment information in accordance with IFRS 8 Operation Segments is presented.

Information about major customers

None of the customers contributed 10.00% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

4. REVENUE AND OTHER INCOME

Revenue

An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers	<u>5,538,812</u>	<u>3,524,143</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Type of goods or services		
Sale of goods	<u>5,538,812</u>	<u>3,524,143</u>
Geographical market		
Mainland China	<u>5,538,812</u>	<u>3,524,143</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>5,538,812</u>	<u>3,524,143</u>

The following table shows the amounts of revenue recognized in current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognized from performance obligations satisfied in previous periods:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognized that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	<u>35,751</u>	<u>12,449</u>

(b) *Performance obligations*

Information about the Group's performance obligations is summarized below:

Sale of goods

The performance obligation is satisfied upon control of the asset is transferred to the customer, generally on customers' acceptance of the products upon delivery, or upon customers' online confirmation. Payment is generally made before goods delivery, except for certain customers where payment is due within 7 days but not later than the end of the month, or within 7 days to 180 days from goods delivery.

Other income

An analysis of other income is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Other income		
Government grants*	26,998	53,864
Interest income	111,347	47,491
Others	400	1,608
	<u>138,745</u>	<u>102,963</u>

* The government grants related to income represent (i) subsidies received from local government authorities for encouraging the Group's business development. These grants related to income are mainly recognized in profit or loss upon receipt of these rewards with consideration of no unfulfilled conditions or contingencies relating to these grants; and (ii) subsidies received to compensate for the Group's expenses for research projects. The grants related to income were recognized in profit or loss when the Group complied with the conditions attached to the grant and the government acknowledged acceptance.

The government grants related to assets represent subsidies received from local government authorities for the Group's investments in long-term assets in production and research and development bases. The grants related to assets were recognized in profit or loss over the remaining useful lives of relevant assets.

5. OTHER GAINS OR LOSSES, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Foreign exchange (losses)/gains, net	(3,590)	1,091
Fair value gains on financial assets at FVTPL	43,270	29,329
Gain on deemed disposal of a subsidiary	667	–
Others	3,499	507
	<u>43,846</u>	<u>30,927</u>

6. PROFIT BEFORE TAX

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

	<i>Notes</i>	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Cost of inventories, consumables and customized products		702,041	431,034
Depreciation of property, plant and equipment		42,871	30,572
Depreciation of right-of-use assets		5,060	2,076
Amortization of intangible assets		1,555	1,527
Provision for/(Reversal of) impairment of trade and bills receivables		942	(27)
Reversal of impairment of prepayments, other receivables and other assets		(849)	(673)
Government grants	4	(26,998)	(53,864)
Marketing and promotion expenses		1,855,150	1,093,862
Bank interest income	4	(111,347)	(47,491)
Foreign exchange losses/(gains), net	5	3,590	(1,091)
Provision for impairment of inventories		3,138	1,221
Employee benefit expenses (including directors' and chief executive's remuneration):			
– Wages, salaries and allowances		188,706	115,492
– Pension scheme contributions, social welfare and other welfare		42,945	26,286
– Equity-settled share award expense		89,723	20,517
Other outsourcing labor costs		29,088	12,917
Auditor's remuneration		2,300	2,300

Note: Equity-settled share award expense was included in cost of sales, research and development costs, selling and distribution expenses and administrative expenses in the amounts as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Administrative expenses	30,188	16,100
Research and development costs	26,785	2,411
Selling and distribution expenses	30,555	1,253
Cost of sales	2,195	753
	89,723	20,517

7. INCOME TAX

Taxes on profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The Company incorporated in the Cayman Islands are not subject to income or capital gains tax under the law of Cayman Islands. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

Hong Kong profits tax has been provided at a rate of 16.5% (2023:16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

Certain subsidiaries were entitled to a preferential company income tax rate of 15% during the year based on the revised version of Guidance Catalogue for Adjustment of Industrial Structure (2024 edition) (《產業結構調整指導目錄(2024年本)》) applicable in 2024 issued by the National Development and Reform Commission which was related to the approval given to selected entities to enjoy the preferential tax rate in the Western Development.

Income tax expense of the Group for the reporting period is analyzed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current tax: Charge for the year	385,300	246,535
Deferred tax	10,727	50,352
Total tax charge for the year	<u>396,027</u>	<u>296,887</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before tax	<u>2,457,754</u>	<u>1,745,089</u>
Tax at the applicable tax rate of 25%	614,439	436,272
Effect of preferential tax rates of some subsidiaries	(253,418)	(177,158)
Effect of withholding tax on the distributable profits of the Group's		
PRC subsidiaries	23,352	44,028
Expenses not deductible for tax	17,246	2,963
Tax losses utilised from previous periods	(169)	(930)
Tax losses not recognized	2,310	954
Additional deductible allowance for research and development expenses	(7,733)	(9,242)
Tax charge at the Group's effective rate	<u>396,027</u>	<u>296,887</u>

8. DIVIDENDS

On 13 June 2024, the Company's shareholders approved 2023 final dividend of RMB0.44 per ordinary share and special dividend of RMB0.45 per ordinary share, in an aggregate amount of RMB908,437,000. The dividend was paid in 2024.

The proposed final dividend for the year 2024 of RMB0.6021 per ordinary share and proposed special dividend for the year 2024 of RMB0.5921 per ordinary share, equivalent to an aggregate of approximately RMB1,237,037,000, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent for the year ended and the weighted average number of ordinary shares of 981,906,744 (2023: 976,278,058) outstanding during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed vest of shares under the RSU Scheme and the 2023 Share Option Scheme.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary shares holders of the parent, used in the basic earnings per share calculation	<u>2,062,347</u>	<u>1,451,753</u>
	Year ended 31 December	
	2024	2023
Number of shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	981,906,744	976,278,058
Effect of dilution – weighted average number of ordinary shares:		
RSU Scheme	4,497,646	6,438,857
2023 Share Options Scheme	15,290,483	–
	<u>1,001,694,873</u>	<u>982,716,915</u>

10. INVENTORIES

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	84,326	49,850
Work in progress	8,523	–
Finished goods	217,965	150,590
	<u>310,814</u>	<u>200,440</u>

11. TRADE AND BILLS RECEIVABLES

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	111,764	81,690
Bills receivable	31,032	20,911
Impairment	(1,514)	(572)
	<u>141,282</u>	<u>102,029</u>

The Group's trading terms with its customers are mainly payment in advance, except for certain customers, where is normally on credit with a period generally from 7 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's bills receivable were commercial acceptance bills aged within three months. Bills receivable is subject to impairment under the general approach and it is considered to be minimal.

An ageing analysis of the trade and bills receivable as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	140,804	101,545
Over one year and within two years	440	100
Over two years and within three years	5	129
Over three years	33	255
	<u>141,282</u>	<u>102,029</u>

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current:		
Bank deposits	440,405	–
Prepayment of property, plant and equipment	84,645	117,908
	<u> </u>	<u> </u>
Current:		
Prepayments	64,311	29,248
Deposits and other receivables	19,501	11,030
Value-added tax recoverable	7,340	14,545
	<u> </u>	<u> </u>
Impairment allowance	(138)	(988)
	<u> </u>	<u> </u>
	<u>91,014</u>	<u>53,835</u>

The balances are not secured with collateral.

13. FINANCIAL ASSETS AT FVTPL

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Financial products	1,828,640	1,274,776
	<u> </u>	<u> </u>

The Group entered contracts in respect of financial products from other financial institutions with a return rate based on actual performance in the regulatory published net value report during the year.

14. CASH AND CASH EQUIVALENTS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents	4,030,207	2,503,999
Denominated in		
RMB	2,320,570	1,891,140
USD	1,709,565	612,858
HKD	72	1

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“**RMB**”) amounted to RMB2,320,570,000 (2023: RMB1,891,140,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

15. TRADE PAYABLES

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Within one year	279,253	126,432
Over one year and within two years	3,300	5,663
Over two years	4,155	1,014
	286,708	133,109

Trade payables are non-interest-bearing and are normally settled on the terms of 60 days.

16. OTHER PAYABLES AND ACCRUALS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Payables for purchase of property, plant and equipment	265,739	124,489
Deposits and other payables	81,787	76,758
Payroll payable	51,465	34,016
Other tax payable	9,899	6,703
	408,890	241,966

Other payables are non-interest-bearing and repayable on demands.

17. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers		
Sales of products		
Current	<u>17,117</u>	<u>35,751</u>

18. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for:		
Buildings	45,591	349,281
Plant and machinery	<u>87,251</u>	<u>140,942</u>
	<u>132,842</u>	<u>490,223</u>

I. BUSINESS REVIEW

The year 2024 has been another tumultuous year with numerous challenges, marked by a complex and ever-changing external environment. As the Company has expanded and reached a broader stage, each step forward has required greater effort, yet our vision remains steadfastly focused on the future. During the Reporting Period, we adhered to our long-term strategic goals, guided by our corporate culture and supported by organizational strength, achieving progress and even breakthroughs across all aspects of our business. This has earned us recognition from consumers and contributed to the high-quality development of the industry. In March 2025, we were once again recognized by Euromonitor International, the world's leading market research organization, as the "Global Leader in Recombinant Collagen", further solidifying our leading position in both technological and industrial dimensions.

During the Reporting Period, our sales revenue reached RMB5,538.8 million, representing a year-on-year increase of 57.2%; our adjusted profit amounted to RMB2,151.5 million, representing a year-on-year increase of 46.5%.

Scientific Research as the Foundation: Continuous Investment in Basic, Applied, and Industrialization Research of Various Proprietary Ingredients

The Company has established science and technology as the cornerstone of its development, consistently increasing its investment in research and development to build a comprehensive technological moat. During the Reporting Period, the Company's research and development expenditure reached RMB106.5 million, representing a year-on-year increase of 42.1%, with research and development expenditure accounting for 1.9% of revenue. As of the end of the Reporting Period, the Company had 188 ongoing research projects. As of the end of the Reporting Period, the Company has been granted and applied for 167 patents, including 74 new patents granted or applied during the Reporting Period.

We have continued to strengthen basic and applied research in the field of recombinant collagen to consolidate our leading position in the industry. During the Reporting Period, the project titled "Yeast-Made Low Immunoregeneration Recombinant Collagen and its Application", which was jointly completed by Northwest University (西北大學) and Xi'an Giant Biogene Technology Co., Ltd. (西安巨子生物基因技術股份有限公司), and others, was certified by experts organized by the China Petroleum and Chemical Industry Federation as reaching the international leading standards as a whole. During the Reporting Period, our exclusive patents, including Recombinant Human Type XVII Collagen, Its Preparation Method, and Applications (Chinese Patent: ZL 202410154497.6) and Recombinant Human Type IV Collagen (Chinese Patent: ZL 202410545206.6), were granted, highlighting our comprehensive and in-depth research layout in the field of recombinant collagen. In terms of industrialization, we achieved a technological breakthrough by innovating the efficient expression of recombinant human collagen with high-temperature stable triple-helical structure in CHO cells. We have also been the first in the industry to use two-photon microscopy imaging technology to effectively demonstrate the transdermal absorption of recombinant collagen. Moving forward, we aim to continue driving the potential of recombinant collagen, a Chinese-origin ingredient, in the biomedical field through higher-level, deeper, and broader technological exploration.

At the same time, we have placed significant emphasis on and actively invested in the research and development of the Company's another proprietary active ingredient, rare ginsenosides. During the Reporting Period, we led the official release of two group standards: "Raw Materials for Cosmetics – Ginsenosides" (《化妝品用原料人參皂昔》) and "Fermented Ginseng Powder" (《發酵人參粉》). As the first group standard for ginsenosides raw materials in China's cosmetics industry and the first group standard in the field of fermented ginseng powder, these achievements have filled gaps in related fields and laid a solid foundation for the long-term healthy development of ginsenoside ingredients.

During the Reporting Period, we successfully advanced the research, development, and clinical application of class III medical devices. We obtained the class III medical device registration certificate for bone repair materials, and our injectable recombinant collagen filler product was granted priority approval. Moving forward, we will continue to build on our technological foundation, address significant societal needs, and strive relentlessly to achieve further breakthroughs.

Building Products with Sincerity: Focusing on User Needs, Enhancing Product Lines, and Expanding Market Opportunities

We adhere to a long-term approach, meticulously understanding the genuine needs of diverse consumer groups in various scenarios. Through in-depth exploration of technological research and development, we carefully select proprietary ingredients and formulation systems, rigorously refining product prototypes to high standards, and ultimately delivering sincere and high-quality products to consumers. This approach enables us to stand out in a crowded market, earning both selection and trust from consumers. During the Reporting Period, our traditional flagship products maintained their consistent strong performance, validating the value of our product development philosophy; at the same time, our expanded new series and products have increasingly diversified, connecting with more consumer groups, opening up broader market opportunities, and further enriching and extending our brand essence. As of the end of the Reporting Period, we have over 140 product SKUs in aggregate.

Under the positioning of "Skin problems, find Comfy (皮膚有問題，就找可復美)", the Comfy brand continues to strengthen its development strategy of "synergy of medical device and cosmetics (械妝協同)", further enhancing its product series matrix. As of the end of the Reporting Period, Comfy has established a product portfolio comprising one major medical device series and four functional skincare series, dedicated to providing professional and effective solutions for various scenarios and skin concerns. During the Reporting Period, the Comfy brand achieved revenue of RMB4,540 million, representing a year-on-year increase of 62.9%.

Within the medical device series, Comfy Recombinant Collagen Dressing continued to demonstrate outstanding performance in both sales and reputation. During the Reporting Period, it once again ranked TOP 1 in Tmall's Wound Dressing Category, TOP 1 in Tmall's Medical Dressing Hot List, and TOP 1 in JD.com's Medical Beauty Care Category in the 618 shopping festival ("**618 Shopping Festival**") and the Singles Day shopping festival ("**Singles Day Shopping Festival**") in 2024. Additionally, we launched several new products in various formats, such as Comfy Medical Recombinant Collagen Liquid Dressing and Comfy Medical Skin Liquid Dressing, catering to consumer needs across different scenarios. These products, with their exceptional quality and reliable safety, have further strengthened Comfy's trusted brand image.

In the collagen repair series, the star product, Comfy Human-like Recombinant Collagen Restoration Single-use Essence (可復美Human-like重組膠原蛋白肌禦修護次拋精華, “**Comfy Collagen Stick** (可復美膠原棒)”), has achieved remarkable success since its launch three years ago. With its robust product efficacy, strict price control, continuous consumer and scenario operations, and effective marketing campaigns, Comfy Collagen Stick has garnered strong reputation among consumers, healthy user acquisition, and repeat purchases, leading to steady sales growth. The product has gradually become a leading player in China’s skincare essence category. During the 2024 Singles Day Shopping Festival, the Comfy Collagen Stick retained its top positions as TOP 1 in the Facial Essence Category (面部精華類目TOP1), TOP 1 in the Liquid Essence Category (液態精華類目TOP1), and TOP 1 in Repair Essence Category (修復精華類目TOP1) on Tmall, as well as TOP 1 in the Liquid Essence Category on Douyin (抖音液態精華類目TOP1), following its success in the 2024 618 Shopping Festival. Looking ahead, we will continue to achieve efficient and precise consumer expansion through refined operations, maintain a healthy pricing system, and consistently deliver safe and high-quality beauty experiences to more consumers. Furthermore, within the collagen repair series, we have expanded our product lineup to include Comfy Collagen Emulsion, Comfy Collagen Toner, and Comfy Collagen Freeze-Dried Mask, providing trustworthy skincare options for individuals with fragile skin barriers, seasonal sensitivity, and issues like redness, itchiness, and dryness.

During the Reporting Period, we launched the new Comfy Focus Series, targeting individuals with sub-healthy skin conditions such as dullness, lack of radiance, and acute sagging. In April 2024, the Comfy Luminous and Repair Essence Cream (可復美光奕律時修護精華霜) (the “**Comfy Focus Cream** (可復美焦點面霜)”) was introduced to the market. By leveraging insights into specific scenarios and consumer needs, the product established a differentiated efficacy positioning. It incorporates the 3R light-emulsion time repair system (3R光奕律時修護體系) to deliver reliable product performance, achieved efficient consumer reach and acquisition through precise marketing strategies, and expanded its appeal to a broader audience with general interests through positive reputation. During the 2024 Singles Day Shopping Festival, the Comfy Focus Cream ranked TOP 2 in Repair Cream Hot List in Domestic Products on Tmall and TOP 1 in Douyin’s Branded Collagen Cream Praise List, securing a notable position in the highly competitive cream market as a new product. During the Reporting Period, we also introduced other products, including the Comfy Focus Essence (焦點精華), Focus Toner (焦點水), Focus Lotion (焦點乳), and Focus Cream Mask (焦點塗抹面膜), covering essential steps in the skincare routine. Presented as a series to consumers, these products cater to a wider range of needs for repairing sub-healthy skin conditions.

During the Reporting Period, we expanded the Comfy Regular Series (可復美秩序系列), which features rare ginsenosides as a key ingredient. We successively launched products such as the Comfy Regular Pimple Stick (可復美秩序點痘棒) and the Comfy Regular Cleansing Gel (可復美秩序潔顏蜜). These products, combined with the existing products, form a complete solution, scientifically addressing oily, acne-prone, and sensitive skin conditions and reconstructing the skin’s balance. We also optimized and supplemented the products of the Comfy Hydration Series (可復美嘖嘖系列). Based on the basic needs of moisturizing and hydrating, we provided consumers with reassuring choices. Through these series, the Comfy brand, relying on different specially developed raw materials and technologies, will reach consumers of a broader age range, with various needs and diverse skin types, enrich the brand equity, and unlock greater growth potential.

The Collgene brand has continued to strengthen its positioning in the anti-aging segment with recombinant collagen. During the Reporting Period, the brand launched the new Revitalizing Series (蘊活系列), launching several products such as the Collgene Revitalizing Essence Eye Cream (可麗金膠捲眼霜), Revitalizing Essence Cream (膠捲面霜), Revitalizing Essence Eye Mask (膠捲眼膜), and Revitalizing Eye Serum (膠捲眼精華), addressing zoned and multi-step anti-aging needs for the face. Through refined operations, during the 2024 Singles Day Shopping Festival, the Collgene Revitalizing Essence Cream (可麗金膠捲面霜) ranked TOP 2 on Anti-Wrinkle Facial Cream Hot Sales List in Domestic Products Category on Tmall (天貓抗皺面霜熱銷榜國貨TOP2), TOP 2 on Douyin's Essence Facial Cream Top Seller List (抖音塗抹面霜爆款榜TOP2), and TOP 1 on Douyin's Nourishing Facial Cream Hot Sales List (抖音滋養面霜爆款榜TOP1). Meanwhile, the Collgene Revitalizing Essence Eye Cream (可麗金膠捲眼霜) secured the TOP 2 on Essence Eye Cream Hot Sales List in Domestic Products Category on Douyin (抖音精華眼霜超值爆款榜國貨TOP2). During the Reporting Period, Collgene brand achieved revenue of RMB840 million, representing a year-on-year increase of 36.3%.

Enhancing Promotional Reach, Emphasizing Scientific Communication, and Building a Professional and Scientific Image for the Corporate and Brands

We continue to strengthen the corporate brand of Giant Biogene, highlighting its academic leadership in the field of recombinant collagen and reinforcing its intellectual presence in the industry to drive deeper technological applications. During the Reporting Period, in the field of dermatology, we participated in several prestigious conferences, including the 19th Medical Aesthetics Academic Conference of the Chinese Medical Association (中華醫學會第十九次醫學美容學術大會), The 29th Annual Meeting of Chinese Society of Dermatology (CSD2024) (CSD2024中華醫學會第二十九次皮膚性病學術年會), the 19th Annual Meeting of China Dermatologist Association & National Congress of Cosmetic Dermatology (2024CDA) (第十九屆中國醫師協會皮膚科醫師年會暨全國美容皮膚科學大會(2024CDA)), and Annual Meeting of Chinese Burn Association 2024 (CBA2024) (中華醫學會燒傷外科學分會2024年學術年會(CBA2024)). Additionally, we successfully hosted “Recombinant Collagen” seminars in Anhui, Shandong, Jiangsu, and other regions. In the industrial sector, we and our brands participated in key events such as the 23rd Shanghai International Plastic Surgery Conference & 13th Shanghai Aesthetic Medicine Forum (第二十三屆上海國際整形美容外科會議暨第十三屆上海整形美容論壇), 2024 The 5th Academic Exchange Conference Of Plastic Surgery Ceremony (2024第五屆整形大典學術交流大會), the 17th and 18th Mevos Congress, the AMWC China 2024 Aesthetic & Anti-Aging Medicine World Congress, The 7th International Medicine of Anti-aging and Aesthetics Congress (IMAAC ZIYALAN) (第七屆紫亞蘭國際抗衰老醫美大會), the Fourth China International Consumer Products Expo (第四屆中國國際消費品博覽會), the 2024 CPEO Health Industry Ecosystem Conference (2024西普會健康產業生態大會), and the 2024 China Pharmacy All-Ecosystem Partnership Conference (Wanmeng Conference) (2024中國藥店全生態夥伴大會(萬艫會)). Furthermore, we organized the Recombinant Collagen Empirical Scientific Research Report Conference (重組膠原蛋白實證科學研究報告會), highlighting empirical results such as transdermal absorption and collagen promotion, accelerating the integration of scientific research and practical applications.

We place significant emphasis on the long-term value of our brand. With a vision of making society a better place in mind, we infuse our brand with warmth and a sense of responsibility. During the Reporting Period, Comfy officially announced Ye Shiwen (葉詩文) as the brand ambassador for its essence products. Together, they witnessed the release of the “Giant Biogene 315 Transparency Commitment (巨子315透明承諾)” and entered campuses to share the life experience of “Passion can Overcome All Difficulties (熱愛可抵萬難)” with students. Comfy launched the first phase of its “Campaign for Recycling Empty Bottles (空瓶回收計劃)”, demonstrating a long-term perspective through the recycling of empty bottles and practicing the concept of ecological environmental protection. Comfy also organized the second and third College Students’ Skin Care Festival (大學生護膚節) activities, reaching out to the younger generation, conveying the concept of scientific skin care, and supporting youthful dreams.

We continuously emphasize and invest in spreading the concept of scientific skin care to the public, contributing to the high-quality development of both our brand and the industry. During the Reporting Period, in August, Comfy initiated the science popularization activity of the “Healthy Skin Protection Month (健康皮膚守護月)” on Chinese Doctors’ Day, paying tribute to the spirit of Chinese doctors and spreading the concepts of health and scientific skin care; in November, Comfy released the initiative film “The Answers of the Skin” (《皮膚的答案》), specially inviting authoritative experts and popular science influencers to interpret skin problems from a scientific perspective.

We operate within specific scenarios, and by leveraging scenario-based exposure that aligns with user needs and brand characteristics, we strengthen our bond with consumers. During the Reporting Period, Comfy launched festive gift products such as the New Year’s Lucky Stick (新年幸運棒) and the Limited Edition of Lucky Stick of Love (幸運棒愛的限定版), which are in line with the festivals and enhance consumer interaction. The Comfy Collagen Stick (可復美膠原棒) collaborated with SUPERMONKEY to launch joint courses, and the Comfy Focus Face Cream (可復美焦點面霜) joined hands with Swisse to launch a limited co-branded gift box, jointly creating a life experience that combines beauty and health.

Differentiated and Refined Omni-Channel Operations to Reach and Serve Diverse Consumer Groups, Driving Efficient and Sustainable Growth

We continue to adopt an online + offline, professional + mass-market approach to implement a comprehensive omni-channel strategy. This involves expanding the number and depth of channels covered by our products, while leveraging differentiated operational strategies to precisely reach and serve diverse consumer segments.

In offline scenarios, we have further deepened our presence in medical channels and expanded coverage in pharmacy networks, leveraging a richer product portfolio and higher-quality services to establish a professional image for our brands and solidify the strong reputation of the Group and its brands. Simultaneously, we have opened more stores in CS/KA chains, department stores, and other retail formats to capture consumer demand across different scenarios, enhance convenience, and increase brand exposure. As of the end of the Reporting Period, our products have entered approximately 1,700 public hospitals, approximately 3,000 private hospitals and clinics, approximately 650 chain pharmacy brands, and approximately 6,000 CS/KA stores. During the Reporting Period, Comfy opened its first flagship store in China at MixC Shopping Mall in Chongqing, and its brand experience store was launched at the CDF Sanya International Duty Free Shopping Complex. Additionally, Comfy became the first domestic beauty brand to enter Hong Kong's Mannings, demonstrating its commitment to providing an enhanced offline experience for consumers. As of the end of the Reporting Period, Comfy has established approximately 18 stores in shopping centers of key cities such as Xi'an, Chongqing, Chengdu, and Sanya, covering various store formats including flagship stores and standard stores, continuously refining its offline scenario operations.

We have also leveraged online e-commerce and social platforms such as Tmall, Douyin, JD.com, Xiaohongshu, and Kuaishou for sales and promotional activities. During the Reporting Period, amid increasingly fierce competition for online traffic, more professional and rational consumer behavior, and unpredictable external environmental changes, we returned to our core values and understanding of the business. By deeply understanding our target audience and exploring newer, faster, more precise marketing strategies, we maintained agility and conviction, tailored differentiated product and operational strategies to platform characteristics, and executed them resolutely while making swift adjustments as needed. This approach drove healthy growth across all online channels. On Tmall, we delved deeper into the platform's marketing resources, focusing on new and best-selling products. Through continuous promotional campaigns and daily sales activities, we achieved high-quality new customer acquisition, conversion, and repeat purchases, further accumulating a larger consumer base on this high-value platform. On Douyin, we maintained controlled pricing while effectively communicating our brand story, product value, technological strengths, and scenario-based experiences, consistently creating viral hits. On the self-broadcasting front, we established a matrix of brand livestreaming accounts, leveraging emerging trends and differentiated product assortments to precisely optimize and enhance the efficiency of the entire consumer journey from awareness to conversion. On the influencer broadcasting front, we continued to expand our influencer matrix, fully capturing growth opportunities in decentralized e-commerce. On JD.com, we focused on serving high-quality consumer groups, leveraging the platform's brand perception, supply chain, and membership operation advantages. By extending our product strengths in the health category to the beauty category, we achieved rapid sales growth. Additionally, we deepened our collaboration with Xiaohongshu, continuously refining our understanding of users and their needs through genuine and thoughtful engagement. This enabled us to achieve human-centric marketing and high-quality consumer education, laying a solid foundation for commercialization. During the Reporting Period, we achieved rapid growth across major e-commerce platforms. The GMV growth rates for Comfy and Collgene across all online channels exceeded 60% and 100%, respectively, during the 2024 618 Shopping Festival, and 80% and 150%, respectively, during the 2024 Singles Day Shopping Festival. These results reflected consumers' strong affinity for our brands and the operational effectiveness of our e-commerce team.

During the Reporting Period, our direct sales channels and distribution channels generated revenue of RMB4,134.2 million and RMB1,404.6 million, accounting for 74.6% and 25.4% of the total, respectively. Revenue contribution from direct sales increased by 5.9 percentage points year on year.

Ensuring Stable Production Supply and Quality Control to Build Consumer Trust

We place great emphasis on the stable operation of our production system. As the Company's product categories continue to expand and the number of SKUs grows significantly, we are dedicated to ensuring stable product supply throughout the year, particularly during major shopping festivals, to meet the rapidly increasing demand from consumers. During the Reporting Period, the Company added two recombinant collagen production lines, three cosmetic production lines and three medical device production lines, while continuing to advance the construction of new medical device factory and health product factory.

We attach great importance to product quality. By maintaining high-standard quality control, we can continuously win the favor of consumers. During the Reporting Period, the Company was honored with titles such as "National Demonstration Enterprise for Product and Service Quality and Integrity (全國產品和服務質量誠信示範企業)", "National Leading Brand in the Recombinant Collagen Industry in Terms of Quality (全國重組膠原蛋白行業質量領先品牌)", "Product Guaranteed by Quality and Reputation for National Consumers (全國消費者質量信譽保障產品)", and received the "Nomination Award of the Tenth Shaanxi Quality Award (第十屆陝西質量獎提名獎)", and the "Shaanxi Provincial Single Champion Enterprise in the Manufacturing Industry (陝西省製造業單項冠軍企業)". These honors demonstrate the strong capabilities of our brand and products.

Actively Fulfilling Social Responsibility

We prioritise participation in social welfare and charitable activities. During the Reporting Period, in collaboration with the Shaanxi Charity Organization, we launched the donation campaign, including "Protecting Educators: Warm Spring Loving Campaign on International Women's Day (守護教育工作者，三八節暖春愛心行動)" and the "Igniting the Flame of Love, Guarding the Light of Teachers (點燃愛心之火，守護師者之光)" for Teachers' Day. Additionally, together with the Shaanxi Provincial Committee of the Communist Youth League (共青團陝西省委), the Shaanxi Provincial Youth Federation (陝西省青年聯合會), and the Shaanxi Youth Development Foundation (陝西省青少年發展基金會), we organized the public welfare event named as "Salute to Shaanxi's Aid Volunteers in Tibet on the Roof of the World (致敬世界屋脊上的陝西援藏人)". In total, we donated loving products with an accumulated value of over RMB14 million worth of loving products.

We are committed to promoting the standardized development of the industry and contributing to a better society. During the Reporting Period, on Consumer Rights Day, we released the "Giant Biogene 315 Transparency Commitment (巨子315透明承諾)", aiming to drive the industry toward a stable and sustainable future. On the Skincare Day on 25 May (525護膚日), we once again participated in nationwide expert science popularization activities, public welfare medical consultations and other activities, supporting public skin health initiatives. On the World Earth Day, Comfy launched the first phase of its "Campaign for Recycling Empty Bottles (空瓶回收計劃)", recycling a total of more than 20,000 single-use vials and over 2,000 empty bottles, cumulatively reducing carbon emissions by more than 370,000 grams.

II. BUSINESS OUTLOOK

Looking ahead to 2025, we will continue to focus on the key directions of “building brands, expanding channels, and strengthening regulatory approvals (樹品牌、拓渠道、強報批)”, advancing various initiatives to enhance the Company’s overall capabilities. We will increase research and development investment, accumulate technological reserves, and diligently pursue clinical application and approval processes for class III medical devices. We will refine and introduce more high-quality products and series, identifying and meeting more niche demands to enrich the portfolios of our brands. We will intensify marketing and promotional efforts for our core brands to achieve broader market penetration, while nurturing and incubating new brands to lay the foundation and build reserves for the next stage of growth in our skincare business. Additionally, we will gradually initiate preparations for the commercialization of class III medical devices, focusing on market education and training to empower the Group’s second growth curve. Though the road ahead may be long, we are confident that China’s beauty and health industry holds immense potential, and the future remains promising.

III. OPERATING RESULTS

Revenue

For the year ended 31 December 2024, our total revenue was RMB5,538.8 million, representing an increase of 57.2% from total revenue of RMB3,524.1 million for the year ended 31 December 2023. Such increase was primarily due to our continuous expansion of product categories, deepening our presence in both online and offline channels, consolidating the growth of star products, and successfully launching new products while enhancing marketing efforts during the Reporting Period. These initiatives further elevated the influence of our products and brand, driving a rapid increase in sales revenue.

(i) Revenue by Product Category

We sell products under multiple product categories in the beauty and health sectors in China, namely (i) professional skin treatment products, and (ii) functional foods and others. The following table sets forth the breakdown of our revenue by product category (medical dressings classified as medical devices) for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Amount	%	Amount	%
	<i>(RMB in millions other than percentages)</i>			
Professional skin treatment products				
– functional skincare products	4,302.3	77.7	2,647.3	75.1
– medical dressings	1,218.1	22.0	860.8	24.4
Functional foods and others	18.4	0.3	16.0	0.5
Total	5,538.8	100.0	3,524.1	100.0

Our overall growth in revenue was primarily driven by the growth of sales of professional skin treatment products, among which, the revenue from functional skincare products demonstrated a faster growth due to our continued efforts to strengthen marketing activities in our omni-channel sales, as well as the steady growth of our star product, the Collagen Stick (膠原棒), and the successful launch of new products such as Comfy Focus Cream (可復美焦點面霜) and Collgene Revitalizing Essence Cream (可麗金膠捲面霜), etc.; the growth in medical dressings was mainly due to the successful introduction of various new dressings across all channels.

(ii) *Revenue by Sales Channel*

During the Reporting Period, our sales channels included direct sales and distribution. Direct sales channels comprised (i) direct-to-customer (DTC) stores on e-commerce and social media platforms, such as Tmall and Douyin; (ii) self-operated stores on e-commerce platforms, such as JD.com's self-operated stores, Vipshop's self-operated stores, etc.; and (iii) hospitals, clinics, pharmacy chains, cosmetic store chains, brand flagship stores and supermarket chains. Distribution channels included selling and distributing our products to individual consumers, hospitals, clinics, pharmacy chains, cosmetic store chains, and supermarket chains through distributors. The following table sets forth the breakdown of our revenue by sales channel in absolute amounts and as a percentage of our total revenue for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Amount	%	Amount	%
	<i>(RMB in millions other than percentages)</i>			
Direct sales				
– Online direct sales through our DTC stores	3,587.2	64.8	2,154.5	61.2
– Online direct sales to e-commerce platforms	377.1	6.8	177.5	5.0
– Offline direct sales	169.9	3.0	88.5	2.5
Subtotal	<u>4,134.2</u>	<u>74.6</u>	<u>2,420.5</u>	<u>68.7</u>
Sales to distributors	<u>1,404.6</u>	<u>25.4</u>	<u>1,103.6</u>	<u>31.3</u>
Total	<u><u>5,538.8</u></u>	<u><u>100.0</u></u>	<u><u>3,524.1</u></u>	<u><u>100.0</u></u>

Direct sales

Online direct sales through our DTC stores

During the Reporting Period, revenue from online direct sales through our DTC stores amounted to RMB3,587.2 million, representing an increase of 66.5% as compared to 2023 and accounting for 64.8% of total revenue in 2024. Such increase was due to (1) our continuous strengthening of online multi-platform layout and refined operation, which achieved a fast revenue growth on e-commerce platforms such as Tmall and Douyin; (2) driven by efficient and precise consumer expansion and scenario-based operations, our star product in the essence category, Comfy Collagen Stick (可復美膠原棒), achieved steady growth. Additionally, the successful launch of new cream products, such as Comfy Focus Cream (可復美焦點面霜) and Collgene Revitalizing Essence Cream (可麗金膠捲面霜), contributed to incremental revenue; and (3) enhanced brand recognition and affection by brand marketing and promotion to drive the growth of sales and revenue.

Online direct sales to e-commerce platforms

During the Reporting Period, revenue from online direct sales to e-commerce platforms amounted to RMB377.1 million, representing an increase of 112.5% compared to 2023 and accounting for 6.8% of total revenue in 2024. Such increase was due to our continued optimization of platform marketing strategies and product mix. For example, while consolidating the advantages in the health product category through JD's self-operated channels, we also expanded the operation in the beauty product category, which drove the growth of sales volume and revenue.

Offline direct sales

During the Reporting Period, revenue from offline direct sales amounted to RMB169.9 million, representing an increase of 92.0% as compared to 2023 and accounting for 3.0% of total revenue in 2024. Such increase was attributable to the fact that, on the one hand, we continued to open offline Comfy flagship stores, standard stores and experience stores in Xi'an, Chengdu, Chongqing, Sanya and other cities, which increased the number of points of contact for sales, and thus further enhanced our revenue. On the other hand, we continued to increase the number of stores and product coverage of our offline direct sales customers, such as pharmacy chains and cosmetic store chains, and strengthened our store marketing activities and staff training, which drove the growth of revenue from this channel.

Sales to distributors

During the Reporting Period, revenue from sales to distributors amounted to RMB1,404.6 million, representing an increase of 27.3% as compared to 2023, showing a stable year-on-year increase, and accounting for 25.4% of total revenue in 2024. Such increase was driven by our continued efforts to advance the coverage on the pharmacy chains, public hospitals, private hospitals and clinics, and cosmetic store chains, as well as the product coverage and distribution revenues.

(iii) *Revenue by Brand*

During the Reporting Period, we generated revenue primarily from the sales of products under Comfy and Collgene. The following table sets forth a breakdown of our revenue by brand for the years indicated:

	For the year ended 31 December			
	2024		2023	
	Amount	%	Amount	%
	<i>(RMB in millions other than percentages)</i>			
Professional skin treatment products				
– Comfy	4,541.8	82.0	2,788.3	79.1
– Collgene	840.5	15.2	616.6	17.5
– Other brands	138.1	2.5	103.2	2.9
Functional foods and others	18.4	0.3	16.0	0.5
Total	5,538.8	100.0	3,524.1	100.0

Professional skin treatment products

Comfy

During the Reporting Period, the sales revenue from Comfy amounted to RMB4,541.8 million, representing an increase of 62.9% as compared to 2023 and accounting for 82.0% of our total revenue in 2024. Such increase was due to (1) our continued expansion of online and offline sales channels and optimization of marketing strategies, which further enhanced our brand influence; (2) the continued growth in revenue from star products such as Comfy Collagen Stick (可復美膠原棒); and (3) the continued expansion of products in the category of creams and other products, such as the launch of the new product, Comfy Focus Cream (可復美焦點面霜), contributing to the incremental revenue.

Collgene

During the Reporting Period, the sales revenue from Collgene amounted to RMB840.5 million, representing an increase of 36.3% as compared to 2023 and accounting for 15.2% of total revenue in 2024. Such increase was attributable to (1) our continued expansion of online channels to further enhance brand awareness; and (2) the continued upgrading and iterative launch of new products, such as Collgene Revitalizing Essence Cream (可麗金膠捲面霜) and Collgene Revitalizing Essence Eye Cream (可麗金膠捲眼霜), which contributed to incremental revenue.

Other Brands

During the Reporting Period, the sales revenue from other brands amounted to RMB138.1 million, representing an increase of 33.8% as compared to 2023 and accounting for 2.5% of total revenue in 2024. Such increase was due to the further expansion of Ke Yu (可預) dressings in chain pharmacies.

Functional foods and others

During the Reporting Period, the sales revenue from functional foods and others amounted to RMB18.4 million, representing an increase of 15.0% as compared to 2023 and accounting for 0.3% of total revenue in 2024.

Cost of sales

For the year ended 31 December 2024, cost of sales was RMB991.9 million, representing an increase of 71.9% from RMB577.0 million for the year ended 31 December 2023. Such increase was mainly attributable to the increase in product sales volume, which resulted in (1) the increase in material costs from RMB431.0 million in 2023 to RMB702.0 million in 2024; (2) the corresponding increase in logistics expenses; and (3) the purchase of new equipment and the increase in the number of frontline staff for the purpose of expanding the scale of regeneration, which directly led to the increase in manufacturing expenses and labor costs.

Gross profit and gross profit margin

For the year ended 31 December 2024, gross profit amounted to RMB4,546.9 million, representing an increase of 54.3% from RMB2,947.1 million for the year ended 31 December 2023, mainly due to the increase in sales revenue.

Gross profit margin decreased from 83.6% for the year ended 31 December 2023 to 82.1% for the year ended 31 December 2024, mainly due to the increased cost of sales and expansion of product categories.

Selling and distribution expenses

For the year ended 31 December 2024, selling and distribution expenses amounted to RMB2,008.2 million, representing an increase of 72.5% from RMB1,164.5 million for the year ended 31 December 2023. Such increase was mainly due to the corresponding investments in online marketing, as our online direct sales channels experienced rapid growth, enabling us to better support business expansion and enhance brand influence.

Research and development costs

For the year ended 31 December 2024, research and development costs amounted to RMB106.5 million, representing an increase of 42.1% from RMB75.0 million for the year ended 31 December 2023, and accounting for 1.9% and 2.1% of our revenue in 2024 and 2023, respectively. Such increase was primarily due to the rise in share award expenses for our research and development personnel and continued investment in the research and development of pipeline products and fundamental research.

Other income

For the year ended 31 December 2024, other income amounted to RMB138.7 million, representing an increase of 34.8% from RMB103.0 million for the year ended 31 December 2023. Such increase was mainly attributable to the increase in interest income.

Other gains, net

For the year ended 31 December 2024, other net gains amounted to RMB43.8 million, while other net gains for the year ended 31 December 2023 amounted to RMB30.9 million. Such gain was mainly attributable to fair value gains on financial assets at FVTPL.

Administrative expenses

For the year ended 31 December 2024, administrative expenses amounted to RMB150.5 million, representing an increase of 55.7% from RMB96.7 million for the year ended 31 December 2023, which was mainly attributable to the increase in employee compensation expenses due to increase in the number of management personnel and the increase in the share award expense for our management personnel.

Income tax expense

For the year ended 31 December 2024, income tax expense amounted to RMB396.0 million, representing an increase of 33.4% from RMB296.9 million for the year ended 31 December 2023, mainly due to the increase in our taxable revenue.

Profit for the year

As a result of the foregoing, for the year ended 31 December 2024, profit for the year amounted to RMB2,061.7 million, representing an increase of 42.4% from RMB1,448.2 million for the year ended 31 December 2023.

Basic and diluted earnings per share

For the year ended 31 December 2024, the basic earnings per share amounted to RMB2.10, representing an increase of 40.9% from RMB1.49 for the year ended 31 December 2023. For the year ended 31 December 2024, diluted earnings per share amounted to RMB2.06, representing an increase of 39.2% from RMB1.48 for the year ended 31 December 2023. The increase in basic and diluted earnings per share was mainly due to the increase in profit for the year.

Gearing ratio

Gearing ratio represents the percentage of interest-bearing borrowings to total equity. As of 31 December 2024, we did not have any outstanding bank loans or other borrowings. As a result, gearing ratio was not applicable as of 31 December 2024.

INTEREST EXPENSE OF BANK AND OTHER BORROWINGS

As of 31 December 2024, the Group had no bank and other borrowings, and incurred no related interest expenses.

TREASURY POLICY

If the Company determines that its cash requirements exceed the amount of cash and cash equivalents it has on hand by then, it may seek to issue equity or debt securities or obtain credit facilities.

PLEDGE OF ASSETS

As of 31 December 2024, the Group did not pledge any assets.

MATERIAL INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

For the year ended 31 December 2024, the Group had no material investments with a value of 5% or more of the Group's total assets as of 31 December 2024 (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 31 December 2024), nor had any material acquisitions or disposals of subsidiaries, associates and joint ventures. For the purpose of cash management, we subscribed for wealth management products. During the Reporting Period, there were no situations of subscribing for such wealth management products with a single financial institution that required disclosure in accordance with Chapter 14, Chapter 14A or paragraph 32(4) of Appendix D2 of the Listing Rules.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group had no specific plan for material investments and purchase of capital assets as of 31 December 2024.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2024, our liquidity amounted to RMB4,030.2 million, which consisted of cash and cash equivalents, representing an increase of 61.0% from RMB2,504.0 million for the year ended 31 December 2023.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group had no any material contingent liabilities.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

As of 31 December 2024, our capital commitments mainly consisted of plant, machinery and buildings amounting to RMB132.8 million in total. The Company recorded capital expenditures of RMB251.2 million for the year ended 31 December 2024, which were primarily used for construction of new plants and purchase of production line equipment.

RISK MANAGEMENT

Foreign Currency Risk

The Group has transactional currency exposures. Such exposures arise from currencies other than the units' functional currencies. As the Board considered foreign currency exposure to be insignificant to the Group, it did not adopt financial instruments such as forward exchange rate contracts to hedge the risks.

Credit Risk

Receivable balances are monitored on an ongoing basis, and the Group's exposure to bad debts risk is not significant. As of the end of the Reporting Period, the Group was subject to concentrations of credit risk at a certain level, as our cash and cash equivalents were deposited in a few financial institutions. As of the end of the Reporting Period, the cash and cash equivalents were deposited in high-quality financial institutions without significant credit risk. There are no significant concentrations of credit risk within the Group in respect of trade and other receivables.

Liquidity Risk

In the management of liquidity risk, our Group monitors and maintains a level of cash and cash equivalents which are deemed adequate by the management of the Group to finance our operations and mitigate the effects of fluctuations in cash flows.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of 31 December 2024, the Group had 1,758 full-time employees, the majority of whom are based in Shaanxi Province, China. The following table sets forth the number of employees of the Group categorized by function as of 31 December 2024:

Function	Number of Employees	% of Total
Manufacturing	650	37.0
Research and development	186	10.6
Sales and marketing	567	32.2
General and administration	355	20.2
Total	1,758	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel. We recruit employees through channels such as campus recruitment and experienced personnel hiring to seek talents with educational backgrounds in relevant subjects or work experiences in relevant industries for our research and development, sales, management, operation and other teams. We evaluate each candidate based on his/her educational background, expertise, necessary skills, interview performance, relevant experience, and professional ethics. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. We have adopted a comprehensive training protocol, pursuant to which we provide pre-employment training to our new employees and internal transfer employees, and continuing technical training to our employees on a regular basis. We also provide necessary training to employees who are responsible for quality control to ensure that they are competent for their work.

In December 2021, the Company adopted a restricted share unit (the “**RSU**”) scheme (the “**RSU Scheme**”) to improve the Group’s employee incentive and remuneration mechanism, attract and retain the senior management team and core talents. The maximum number of underlying shares of all RSUs granted under the RSU Scheme in aggregate shall not exceed 19,000,000 shares, representing approximately 1.83% of the total issued share capital of the Company as of the date of this results announcement. Prior to the Company’s listing on the Stock Exchange, 83 RSU Scheme participants had been granted RSUs under the RSU Scheme involving a total of 19,000,000 underlying shares.

On 17 August 2023, the 2023 share option scheme (the “**2023 Share Option Scheme**”) and the 2023 share award scheme (the “**2023 Share Award Scheme**”) were adopted at the general meeting of the Company. The purposes of these schemes were, among others, to attract suitable talents to promote further growth and development of the Group. The maximum number of shares may be issued pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 99,500,000 shares, representing 9.61% of the total number of shares in issue of the Company as of the date of this results announcement. The maximum number of shares may be issued to service provider participants pursuant to the 2023 Share Option Scheme and the 2023 Share Award Scheme in aggregate will be 19,900,000 shares, representing 1.92% of the total number of shares in issue of the Company as of the date of this results announcement. On 28 December 2023, the Company granted an aggregate of 20,000,000 options to 128 eligible participants pursuant to the 2023 Share Option Scheme to subscribe for ordinary shares of US\$0.00001 each in the share capital of the Company. For details, please refer to the announcement of the Company published on the Stock Exchange on 28 December 2023.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange (including sale of treasury shares).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant event that would have a material impact on the Group’s business operation and financial condition subsequent to the Reporting Period and up to the date of this results announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders. The Directors are aware of the importance of incorporating elements of good corporate governance into the Group’s management structure and internal control procedures to achieve effective accountability.

The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions set out in the Corporate Governance Code for the year ended 31 December 2024, save for the deviations from Code Provision C.2.1.

According to Code Provision C.2.1 under the Corporate Governance Code, the roles of chairman of the board of directors and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman of the board of directors and chief executive officer should be clearly established and set out in writing. The roles of chairman of the Board and the chief executive officer are currently performed by Mr. Yan Jianya as the two functions have not been separated by the Company. In view of Mr. Yan's substantial contribution to our Group since its establishment and his extensive experience, the Company considers that having Mr. Yan Jianya acting as both the chairman of the Board and chief executive officer will provide strong and consistent leadership to our Group and facilitate the efficient execution of the business strategies of the Company. The Company considers it appropriate and beneficial to its business development and prospects that Mr. Yan Jianya continues to act as both the chairman of the Board and chief executive officer, and therefore it is currently not proposed to separate the functions of chairman of the Board and chief executive officer.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions of the Company. Having made specific enquiry to all Directors, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code during the Reporting Period and up to the date of this results announcement.

PROCEEDS FROM THE GLOBAL OFFERING

On 4 November 2022, the Company's shares were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering (including proceeds from full exercise of the over-allotment option) after deducting underwriting discount and commission are approximately HK\$573.7 million, which will be utilized according to the use of proceeds disclosed in the Prospectus as follows:

- approximately 11% of the net proceeds for the investment in research and development to enlarge our research and development team through recruitment, expand our research and development facilities and conduct testing and validation studies;
- approximately 28% of the net proceeds for the expansion of manufacturing capacity with respect to our product portfolios and bioactive ingredients;
- approximately 46% of the net proceeds for the enhancement of our omni-channel sales and distribution network, and implementation of our science- and knowledge-driven marketing activities to enhance our brand recognition;
- approximately 5% of the net proceeds for the enhancement of our operation and information systems, including (i) procurement of software and hardware; (ii) development of an integrated hybrid cloud infrastructure through investments in hardware such as servers and Internet services; and (iii) recruitment of IT specialists, including software developers and IT engineers; and
- approximately 10% of the net proceeds for working capital and general corporate uses.

During the Reporting Period and as of the date of this results announcement, there has been no change to the intended use of the net proceeds disclosed above.

As of 31 December 2024, the use of net proceeds by the Group is set out below:

Purpose	% of use of proceeds raised	Net proceeds (HK\$ million)	Unutilized amount as at 1 January 2024 (HK\$ million)	Utilized amount in 2024 (HK\$ million)	Accumulative	Unutilized	Expected timetable for full utilization of remaining net proceeds
					utilized amount as at 31 December 2024 (HK\$ million)	amount as at 31 December 2024 (HK\$ million)	
Investment in research and development to enlarge our research and development team through recruitment, expand our research and development facilities and conduct testing and validation studies	11%	63.1	19.6	19.6	63.1	-	/
Expansion of manufacturing capacity with respect to our product portfolios and bioactive ingredients	28%	160.6	39.7	39.7	160.6	-	/
Enhancement of our omni-channel sales and distribution network, and implementation of our science- and knowledge-driven marketing activities to enhance our brand recognition	46%	263.9	68.2	68.2	263.9	-	/
Enhancement of our operation and information systems	5%	28.7	23.2	9.7	15.2	13.5	31 December 2027
Working capital and general corporate uses	10%	57.4	22.6	22.6	57.4	-	/
Total	100%	573.7	173.4	159.8	560.2	13.5	

PROCEEDS FROM THE PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

On 16 May 2024 (after trading hours), the Company, Juzi Holding Co., Ltd (the “**Top-up Vendor**”) and Goldman Sachs (Asia) L.L.C. (the “**Placing Agent**”) entered into a placing and subscription agreement (the “**Placing and Subscription Agreement**”), pursuant to which (i) the Top-up Vendor has agreed to sell, and the Placing Agent has agreed, as the Top-up Vendor’s agent, on a best effort basis, to procure the placees, who will be professional, institutional, corporate or other investors, and who and whose ultimate beneficial owners shall be the independent third parties, to purchase 33,220,000 shares held by the Top-up Vendor at a price of HK\$49.40 per share (the “**Vendor Placing**”), and (ii) the Top-up Vendor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of new shares equal to the shares actually placed under the Vendor Placing at a price equal to the placing price (the “**Subscription**”). On 21 May 2024 and 24 May 2024, the Vendor Placing and the Subscription were completed respectively. For details, please refer to the announcements of the Company dated 17 May 2024 and 24 May 2024, respectively.

The net proceeds received by the Company from the Subscription are approximately HK\$1,627 million (after deducting the commissions and estimated expenses), of which (i) approximately 90%, or HK\$1,464.3 million, will be used for development of core business and the layout of ecosystem, including but not limited to brand promotion, marketing and research and development investment; and (ii) approximately 10%, or HK\$162.7 million, will be used for replenishment of liquidity and general corporate purposes.

During the Reporting Period and as of the date of this results announcement, there is no change to the intended use of the net proceeds from the Vendor Placing and the Subscription disclosed above, and the Company plans to gradually utilize the net proceeds in accordance with such intended use within the next three years based on its actual business situations. Such expected timetable is based on the Company's best estimation of market conditions and business operation in the future, and is subject to change depending on the development of current and future market conditions as well as actual business needs.

As of 31 December 2024, the use of net proceeds from the Subscription by the Group is set out below:

Purpose	% of use of proceeds raised	Net proceeds (HK\$ million)	Utilized amount in 2024 (HK\$ million)	Unutilized amount as at 31 December 2024 (HK\$ million)
Development of core business and the layout of ecosystem, including but not limited to brand promotion, marketing and research and development investment	90%	1,464.3	312.4	1,151.9
Replenishment of liquidity and general corporate purposes	10%	162.7	18.5	144.2
Total	100%	1,627	330.9	1,296.1

FINAL DIVIDENDS AND SPECIAL DIVIDENDS

The Board has resolved to recommend the distribution of final dividends of RMB0.6021 per ordinary share and special dividends of RMB0.5921 per ordinary share for the year ended 31 December 2024, subject to approval by the shareholders at the annual general meeting. The date for distribution of dividends is expected to be on or around 29 August 2025. The Group is not aware of any arrangement under which any shareholder has waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on 13 June 2025. To determine the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 10 June 2025 to 13 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 9 June 2025. The proposed final dividends and special dividends are subject to the approval of the shareholders at the forthcoming annual general meeting. The record date for entitlement to the proposed final dividends and special dividends is 24 June 2025. For determining the entitlement to the proposed final dividends and special dividends, the register of members of the Company will be closed from 19 June 2025 to 24 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividends and special dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 18 June 2025.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto during the Reporting Period as set out in this results announcement have been agreed by the Company's auditor, Ernst & Young (the "**Auditor**"), to the amounts set out in the Group's consolidated financial statements for the Reporting Period.

The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, therefore no assurance opinion has been expressed by the Auditor on this results announcement.

AUDIT COMMITTEE

The Company's Audit Committee is comprised of Ms. Wong Sze Wing (chairperson), Mr. Huang Jin and Mr. Shan Wenhua, all of whom are independent non-executive Directors. The Company's Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xajuzi.com). The annual report of the Company for the year ended 31 December 2024 will be published on the above websites of the Stock Exchange and the Company, and will be dispatched to the shareholders of the Company who have indicated their intention to receive printed copies of the Company's communications.

By order of the Board
Giant Biogene Holding Co., Ltd
YAN Jianya
Chairman of the Board

Hong Kong, Wednesday, 26 March 2025

As of the date of this announcement, the Board comprises Mr. Yan Jianya, Ms. Ye Juan, Ms. Fang Juan, Ms. Zhang Huijuan and Ms. Yan Yubo as executive directors, and Mr. Huang Jin, Mr. Shan Wenhua and Ms. Wong Sze Wing as independent non-executive directors.