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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

AND

CHANGE OF MEMBERS OF THE NOMINATION COMMITTEE

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Changes
	2025 RMB million	2024 RMB million	
Revenue	3,112.7	2,540.4	22.5%
Gross profit	2,542.3	2,093.2	21.5%
Profit before tax	1,444.1	1,155.2	25.0%
Net profit	1,182.4	980.6	20.6%
Earnings attributable to the owners of the parent	1,182.1	983.2	20.2%
Adjusted net profit for the Reporting Period (non-IFRS measure)	1,205.1	1,026.6	17.4%
Basic earnings per share	1.14	0.99	15.2%
Diluted earnings per share	1.13	0.97	16.5%

The board (the “**Board**”) of directors (the “**Director(s)**”) of Giant Biogene Holding Co., Ltd (the “**Company**” or “**Giant Biogene**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) with the comparative figures for the corresponding period in 2024. The aforesaid interim results have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) and have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The interim results for the six months ended 30 June 2025 are unaudited but have been reviewed by the Company’s independent auditor, Ernst & Young, 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.

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

	<i>Notes</i>	For the six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	3,112,662	2,540,432
Cost of sales		<u>(570,317)</u>	<u>(447,192)</u>
Gross profit		<u>2,542,345</u>	<u>2,093,240</u>
Selling and distribution expenses		(1,058,575)	(892,020)
Administrative expenses		(82,635)	(65,650)
Research and development costs		(41,176)	(48,701)
Other expense		(1,610)	(1,338)
Other income	4	68,800	52,428
Other gains or losses, net		17,004	17,775
Finance cost		(124)	(54)
(Reversal of)/provision for impairment losses on financial assets, net		<u>119</u>	<u>(490)</u>
PROFIT BEFORE TAX	5	1,444,148	1,155,190
Income tax expense	6	<u>(261,704)</u>	<u>(174,640)</u>
PROFIT FOR THE PERIOD		<u>1,182,444</u>	<u>980,550</u>
Attributable to:			
Owners of the parent		1,182,083	983,164
Non-controlling interests		<u>361</u>	<u>(2,614)</u>
		<u>1,182,444</u>	<u>980,550</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic (RMB yuan)		1.14	0.99
Diluted (RMB yuan)		<u>1.13</u>	<u>0.97</u>

	For the six months ended 30 June	
<i>Notes</i>	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>67</u>	<u>(8,248)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>67</u>	<u>(8,248)</u>
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	(21,735)	9,830
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>12,537</u>	<u>–</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(9,198)</u>	<u>9,830</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>(9,131)</u>	<u>1,582</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>1,173,313</u>	<u>982,132</u>
Attributable to:		
Owners of the parent	1,172,952	984,746
Non-controlling interests	<u>361</u>	<u>(2,614)</u>
	<u>1,173,313</u>	<u>982,132</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,163,594	1,041,771
Other intangible assets		5,483	5,816
Right-of-use assets		50,764	51,022
Prepayments, other receivables and other assets, non-current		71,615	525,050
Investments accounted for using the equity method		77,126	11,436
Equity investments designated at fair value through other comprehensive income (“FVTOCI”)		28,720	–
Deferred tax assets		1,225	906
Total non-current assets		1,398,527	1,636,001
CURRENT ASSETS			
Inventories		441,144	310,814
Trade and bills receivables	9	466,472	141,282
Prepayments, other receivables and other assets, current		118,857	91,014
Financial assets at fair value through profit or loss (“FVTPL”)		1,917,487	1,828,640
Cash and cash equivalents		6,943,768	4,030,207
Total current assets		9,887,728	6,401,957
CURRENT LIABILITIES			
Trade payables	10	299,990	286,708
Other payables and accruals		281,457	408,890
Tax payable		105,841	117,018
Lease liabilities-current		5,170	4,701
Deferred income		1,743	1,561
Contract liabilities		56,958	17,117
Dividend payables		1,278,874	–
Total current liabilities		2,030,033	835,995
NET CURRENT ASSETS		7,857,695	5,565,962
TOTAL ASSETS LESS CURRENT LIABILITIES		9,256,222	7,201,963

	<i>Notes</i>	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities, non-current		1,780	2,009
Deferred income		17,411	18,934
Deferred tax liabilities		48,183	61,198
		<hr/>	<hr/>
Total non-current liabilities		67,374	82,141
		<hr/>	<hr/>
Net assets		9,188,848	7,119,822
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Ordinary share capital		68	65
Treasury shares		–	(1)
Reserves		9,176,809	7,108,148
		<hr/>	<hr/>
		9,176,877	7,108,212
		<hr/>	<hr/>
Non-controlling interests		11,971	11,610
		<hr/>	<hr/>
Total equity		9,188,848	7,119,822
		<hr/>	<hr/>

NOTES TO FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

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 period, 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.

4. REVENUE AND OTHER INCOME

Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	3,112,662	2,540,432

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of goods or services		
Sale of goods	3,112,662	2,540,432
Geographical markets		
Mainland China	3,112,662	2,540,432
Timing of revenue recognition		
Goods transferred at a point in time	3,112,662	2,540,432

Other income

An analysis of other income is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants	4,742	13,241
Interest income	63,396	38,991
Others	662	196
Total	68,800	52,428

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories, consumables and customised products	417,861	314,231
Depreciation of property, plant and equipment	33,828	18,843
Depreciation of right-of-use assets	3,258	1,223
Amortization of intangible assets	785	785
(Reversal of)/provision for impairment of trade and bills receivables	(168)	477
Provision for impairment of prepayments, other receivables and other assets	50	13
Gain on disposal of property, plant and equipment	(1,609)	–
Government grants	(4,742)	(13,241)
Marketing and promotion expenses	969,431	811,642
Bank interest income	(63,396)	(38,991)
Foreign exchange gains, net	3,292	4,796
(Reversal of)/provision for impairment of inventories	(8)	863
Employee benefit expenses (including directors' and chief executive's remuneration):		
– Wages, salaries and allowances	123,915	81,757
– Pension scheme contributions, social welfare and other welfare	28,149	19,120
– Equity-settled share award expense	22,621	46,048
Other outsourcing labor costs	26,281	12,193

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:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Administrative expenses	9,768	14,485
Research and development costs	5,779	13,469
Selling and distribution expenses	6,455	16,167
Cost of sales	619	1,927
	22,621	46,048

6. 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% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

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 period 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 analysed as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax: Charge for the year	277,250	169,763
Deferred tax	(15,546)	4,877
Total tax charge for the year	261,704	174,640

7. DIVIDENDS

On 13 June 2025, the Company's shareholders approved 2024 final dividend of RMB0.6021 (six months ended 30 June 2024: RMB0.44) per ordinary share and special dividend of RMB0.5921 (six months ended 30 June 2024: RMB0.45) per ordinary share, in an aggregate amount of RMB1,278,874,000 (six months ended 30 June 2024: RMB908,437,000).

No interim dividend has been paid or declared by the Company during the period (six months ended 30 June 2024: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,034,853,754 (2024: 988,391,916) outstanding during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period 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 period, 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 vesting of shares under the RSU Scheme and the 2023 Share Option Scheme.

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

	2025 RMB'000 (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	1,182,083	983,164
	Number of shares 2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	1,034,853,754	988,391,916
Effect of dilution – weighted average number of ordinary shares:		
RSU Scheme	9,336,447	5,479,715
2023 Share Options Scheme	5,028,154	19,033,962
Total	1,049,218,355	1,012,905,593

9. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Within one year	466,319	140,804
Over one year and within two years	148	440
Over two years and within three years	5	5
Over three years	–	33
Total	466,472	141,282

10. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	293,939	279,253
Over one year and within two years	3,042	3,300
Over two years and within three years	3,009	4,155
	<hr/>	<hr/>
Total	299,990	286,708
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11. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Buildings	115,538	45,591
Plant and machinery	138,202	87,251
	<hr/>	<hr/>
Total	253,740	132,842
	<hr/>	<hr/>

I. BUSINESS REVIEW

The first half of 2025 has been tumultuous. Confronting changes and challenges demonstrated the resilience and cohesion of the Company's team, while also revealing areas requiring continuous improvement and learning. In accordance with our established strategic plan, we successfully executed new product launches, brand promotion, and channel expansion initiatives, while persistently strengthening the Company's competitiveness in technology R&D, supply chain efficiency, and development of talents. Despite being affected by certain external factors in the second quarter of 2025, the Company remained united as one from top to bottom, steadfast in our conviction, and guided by a long-term approach. We efficiently deployed and implemented operational plans, striving to achieve steady progress in our business.

During the Reporting Period, we achieved steady performance growth, with revenue reaching RMB3.11 billion, representing a year-on-year increase of 22.5%; net profit reached RMB1.18 billion, representing a year-on-year increase of 20.6%. We believe the short-term impact will eventually pass, and the Company's long-term competitive edge remains intact. The staff will continue to remain committed to our vision and forge ahead.

Remaining true to our original aspiration for scientific research and leading technological breakthroughs in the industry

Scientific research remains the cornerstone of the Company and serves as the foundation for our sustainable development. During the Reporting Period, the Company's research and development expenditure reached RMB41 million, accounting for 1.3% of revenue. As of the end of the Reporting Period, we had over 140 ongoing research projects. As of the end of the Reporting Period, the Company has been granted and applied for 186 patents, including 19 new patents granted or applied during the Reporting Period.

We continuously expanded the application boundaries of recombinant collagen through scientific exploration. During the Reporting Period, we obtained important patent grants such as "Recombinant Human Type XVII Collagen with Hair Regeneration and Care Efficacy and Its Applications" (Chinese Patent: ZL 202410686123.9) and "Type I Recombinant Collagen, Its Metal Chelates, and Whitening Cosmetics" (Chinese Patent: 202410932513.X), extending recombinant collagen research into fields like hair regeneration and care, and whitening. Their distinct mechanisms and efficacy demonstrate significant potential for future industrialization. As of the end of the Reporting Period, the number of molecules in the Company's recombinant collagen molecular library exceeded 50 types, providing a diverse and ample foundation for mid-to-long-term industrialization development.

During the Reporting Period, the Pharmaceutical Industry Standard of the People's Republic of China Recombinant Collagen Dressing, in the drafting of which the Company participated, was officially released. As the first industry standard in this field, it supports the industry's path toward high-quality development. The Company's Synthetic Biology R&D Center was honored with the title of "National Advanced Collective in the Light Industry Sector" in recognition of its outstanding innovation capabilities and industry contributions, marking high recognition of our scientific research innovation strength and industry benchmark status.

Product Iteration and Launches, Building a Long-Term Growth Matrix

Since 2011, the Comfy brand has consistently adhered to the principles of sincerity, goodwill, excellence, and innovation for over a decade. It develops high-quality products to respond to needs and expectations, continuously explores the potential for extending categories from medical devices to cosmetics, and is committed to transforming every success or setback into an evolution and leapfrogging of organizational capabilities, thereby preparing for long-term growth. As of the end of the Reporting Period, Comfy comprises medical device series and five functional skincare series, persistently providing scientific and systematic solutions for more diverse demand scenarios.

Within the medical device series, classic products continued steady growth while new products gained increasing consumer favor. As a best-selling item for over a decade, Comfy Recombinant Collagen Dressing has delivered trusted skin repair experiences to vast numbers of consumers. During the 618 Shopping Festival in 2025 (“**618 Shopping Festival**”), it ranked TOP 1 on Tmall’s Medical Dressing Praise List, sustaining its strong reputation and robust performance. Additionally, Comfy Recombinant Collagen Repair Dressing (“**Medical Device Cream**”) and Comfy Medical Skin Liquid Dressing (“**Medical Device Single-Use Essence**”) secured the TOP 1 and TOP 2 positions, respectively, in JD.com’s Medical Beauty Care Category during the 618 Shopping Festival. Their diverse formats and combinations cater to demands across broader scenarios.

Within the collagen repair series, after 2 years of meticulous refinement and incorporating feedback from millions of consumers, we launched the Comfy Recombinant Collagen Restoration Single-Use Essence (“**Collagen Stick 2.0**”) during the Reporting Period. This product pioneers the inclusion of proprietary recombinant Type IV collagen, specifically targeting basement membrane barrier repair, delivering tangible and predictable efficacy for consumers across short-, medium-, and long-term use. Clinical trial reports from the authoritative Cosmetic Evaluation Center of West China Hospital, Sichuan University, a top-tier clinical research institution, demonstrate that Comfy Collagen Stick 2.0 possesses exceptional soothing, repairing, and moisturizing efficacy. During the 618 Shopping Festival, Collagen Stick 2.0 secured the Tmall’s TOP 1 in the Liquid Essence Category for Domestic Products. Moving forward, we will continue comprehensive consumer communication and product promotion for Collagen Stick 2.0, extending the lifecycle of the product.

During the Reporting Period, adhering to a consumer-centric approach focused on addressing various skin concerns, we launched the Comfy Precise and Intensive Repair Series grounded in real-life scenarios. This series pioneers the incorporation of our proprietary Type IV Thermo-Mouldable Collagen, directly targeting the repair of heat-induced skin damage. It precisely stimulates the production of Heat Shock Proteins, effectively addressing skincare pain points caused by external heat sources such as energy-based aesthetic treatments, high-temperature environments, and sun exposure. Since its launch, the Precise and Intensive Repair Series has garnered widespread attention and recognition from consumers through offline exclusive stores, helping the Comfy brand establish continuous interaction and connection with high-quality medical aesthetic consumers throughout the pre-, during, and post-treatment stages. This further strengthens the brand’s image as a scientific and professional pioneer. In the future, we will explore additional channels tailored to the scenarios and target audience characteristics of the Intensive Repair Series to reach more consumers.

Furthermore, the star product of the Comfy Focus Series, the Focus Cream (焦點面霜), maintained its strong performance since launch, continuously expanding its consumer reach and amplifying brand visibility. It has also gradually built market recognition for second-tier products such as the Focus Toner and Lotion. Both the Comfy Regular Series and Hydration Series are progressing smoothly in their cultivation phases. During the Reporting Period, the Comfy brand achieved revenue of RMB2.54 billion, representing a year-on-year increase of 22.7%.

The Collgene brand is dedicated to solidifying its brand positioning in the anti-aging segment. We continue to invest resources in product R&D and innovation, iterating to bring more high-quality products to consumers. During the Reporting Period, following two years of meticulous refinement, we upgraded the Collgene Collagen Mask King (大膜王) to Version 3.0. This upgrade represents significant advancements in core ingredients, formulation architecture, and packaging aesthetics, precisely addressing concerns such as skin laxity, multiple wrinkles, and dullness, thereby reinforcing its status as a consumer-recognized leader in the anti-aging mask category. During the 618 Shopping Festival, the Collagen Mask King ranked TOP 4 on Tmall's Mask Hot Sales List and TOP 1 on JD.com's Nourishing Mask Hot Sales List. Furthermore, within the Collgene Revitalizing Series, both the Revitalizing Essence Cream and Revitalizing Essence Eye Cream have established strong positions in the mass-market and specialized sub-categories of anti-aging, respectively. After a year of targeted marketing seeding and cultivation, they have won the affection of a growing number of consumers. Through marketing campaigns emphasizing dual anti-aging efficacy for both eye and facial areas, and the launch of additional series items such as eye masks and eye serums, we aim to solidify the Revitalizing Series' positioning as high-quality and mid-to-high-end, laying a solid foundation for Collgene's long-term growth. During the Reporting Period, the Collgene brand achieved revenue of RMB500 million, representing a year-on-year increase of 26.9%.

Communicating Brand Value and Strengthening Consumer Connections in Specific Scenarios

We fully demonstrated the Company's competitiveness across dimensions such as scientific research strength, brand visibility, and collaborative channel success to partners from all sectors through industry conferences. During the Reporting Period, Giant Biogene and its brands were invited to participate in numerous academic conferences, including the 30th Annual Meeting of Chinese Society of Dermatology and the 6th Academic Exchange Conference of Plastic Surgery Ceremony – Medical Aesthetics in 2025; beauty industry exhibitions such as the 20th Mevos International Medical Aesthetics Congress, ICIC 2025 International Cosmetic Innovation Conference, and the CIBE 67th China (Shanghai) International Beauty Expo; and pharmaceutical industry events including the 90th National Pharmaceutical Ingredients Fair and the 2025 Wuzhen Health Conference & 4th OTC Conference.

The Comfy brand has strengthened its product branding and consumer interaction in diverse scenarios, aiming to generate more resonance and connections with users. During the Spring Festival, Comfy launched the “Send Them a Lucky Blue Packet (送TA幸運藍包)” campaign and introduced the “Comfy Luck Stick – Fortune-Turning Edition (可復美幸運棒–時來運轉版)” to convey good luck for the new year. In the spring season, Comfy carried out the “Beautiful Limited Planning Activity (美好限定企劃活動)”, spreading the concept of professionally safeguarding skin health through a variety of activities such as the Spring Breeze Relay Race, Douyin Sunset Chorus Party, and the Happy Market for All Girls. The Comfy Campus Tour has entered its 4th edition, reaching more young consumer groups through sessions including communication and sharing, debates, skin tests, and product experiences.

Collgene creates a sense of self-pleasure experience through diverse offline activities, infusing more warmth and strength into the brand. Collgene’s 3.8 Special Project features a self-pleasure salon sharing session themed “My ‘Reconstructed’ Identity (我的“重組”身份)”. It invites guest representatives from different professions and identities to share their stories, conveying the power of women. Collgene’s Dragon Boat Festival Special Project includes the “Self-pleasure Energy Field (悦己能量場)” activity, which skillfully integrates traditional health-preserving culture with the philosophy of day and night care, and conveys the brand’s concept of pursuing both inner and outer cultivation.

During the Reporting Period, Ke Yu (可預), a core strategic brand under Giant Biogene, held a brand strategy upgrade conference with the theme of “Renewing the Future and Ke Yu the Beauty (煥新未來 • 美好可預)”. The conference showcased a new layout in aspects such as brand positioning, channel scenarios, and product layout. In May 2025, the Ke Yu brand launched the “Family Moments (家庭時刻)” special project, which included online activities such as brand TVC communication and story collection, as well as an offline “Family Fun Run (親子歡樂跑)”. These initiatives integrate the brand concept and health into the beautiful life of families.

Adherence to Channel Strategy, Emphasis on Refined Operation and Capability Iteration

Against the backdrop of the gradual fading of traffic and the increasingly segmented types and demands of consumers, it has become increasingly important for brands to build a channel matrix and conduct in-depth and refined operations for each channel. Whether in the traditionally advantageous professional channels, the rapidly changing online platforms, or the steadily expanding emerging scenarios, our team has been continuously iterating on the basis of adhering to long-term strategies, improving efficiency, and contributing to the growth of brands and businesses through more accurate understanding and insights into consumers as well as targeted operations.

As of the end of the Reporting Period, in offline channels, our products have entered approximately 1,700 public hospitals, approximately 3,000 private hospitals and clinics, more than 130,000 chain pharmacies, and approximately 6,000 CS/KA stores. In public hospital channels, we continue to deepen academic promotion and build a professional high-value platform for Giant Biogene and its affiliated brands. In private hospitals and clinics, we have strengthened collaboration with institutional partners through activities such as summit forums, jointly empowering the growth of the terminal market. In chain pharmacies, we have expanded a variety of medical device products to enrich our product matrix, and refined terminal sales performance as well as online-offline integrated operations. Through activities like Pharmacy Orators, we empower the high-quality development of the industry. In shopping centers, Comfy brand proprietary stores have expanded to cities such as Hangzhou, Nanjing and Tianjin. As of the end of the Reporting Period, 24 stores have been opened across the country. Through diverse store types matching the needs of different business districts and customer groups, the brand has established authentic and wonderful connections with offline customers with increasingly rich products and continuously improved services. In addition, Comfy, as the first Chinese functional skincare brand to enter Watsons Malaysia, has brought new skin treatment experiences to people in Southeast Asia.

We also conduct sales, promotion and publicity through online e-commerce platforms and social media platforms such as Tmall, Douyin, JD.com, Xiaohongshu and Kuaishou. During the Reporting Period, in the face of changes and challenges, we adhered unswervingly to the long-term operation strategy for key platforms, and maintained the basic fundamentals of our business and user base.

On Tmall, we focus on deepening user value. We counteract fragmented and fluctuating traffic through refined membership operations, and achieve growth by breaking through with high-potential product categories. By integrating CRM capabilities with data mining, leveraging festival-themed activities and content operations, and combining daily life scenarios with differentiated product assortments, we deeply explore user interests and needs to enhance audience penetration and strengthen brand awareness.

On Douyin, we focus on maximizing content efficiency to create viral hits. We stabilize fluctuations in influencer-driven broadcasts through the infrastructure of self-broadcasting front and activate incremental markets with new product combinations. From the perspective of self-operation, we have established a multi-account livestream system consisting of main brand accounts and vertical sub-accounts, which precisely cover different groups of people. We also focus on operating the IPs of “CEO Grand Livestream (總裁大場)” and “Welfare Officer Joins the Livestream (福利官進播)” to create high-traffic livestream sessions. In terms of influencer broadcasting front, we operate the influencer matrix in a hierarchical manner, with differentiated audience targeting and product portfolio arrangements for top-tier and mid-tier influencers. Meanwhile, we centrally track key indicators of viral products through the data center, providing data support for optimizing operational strategies.

On JD.com, we focus on building expertise through scenario-based barriers. Leveraging the medical ecosystem, we facilitate product recommendations in professional scenarios; through ultimate fulfillment services, we address urgent needs and establish a trust premium, ultimately achieving penetration and acquisition of high-net-worth users. Additionally, on Xiaohongshu, we conduct comprehensive operations centered on lifestyles and user interests. By identifying consumers' scenario and interest coordinates, we achieve high-quality product refining through authentic communication and feedback.

During the Reporting Period, our direct sales channel generated revenue of RMB2.33 billion, accounting for 74.7% of the total; the distribution channel generated revenue of RMB0.79 billion, accounting for 25.3% of the total. The proportion of revenue contributed by direct sales increased by 2.3 percentage points year-on-year.

Actively Participating in Public Welfare Activities and Fulfilling Social Responsibility

We actively participate in public welfare activities, fulfill our corporate social responsibility, and are committed to making a contribution to the long-term sustainable development of our stakeholders through our own efforts.

On the occasion of the 19th National Skincare Day on 25 May, Giant Biogene continued its collaboration with the China Dermatologist Association, partnering with over 400 public hospitals nationwide to organize activities including public welfare medical consultations, educational lectures, and free product sampling, promoting the dissemination of healthy skincare knowledge. The Comfy brand joined forces with Xiaohongshu to launch the “Healthier Skin with Collagen Care” scientific skincare campaign. This initiative featured online science popularization sessions by dermatological experts and KOLs, coupled with the free distribution of skincare gift packs and educational booklets through offline channels. The Collgene brand collaborated with Xiaohongshu, initiated the “Ingredient Focus: Session by Session” science communication project, offering professional interpretations of the anti-aging mechanisms of recombinant collagen. On the World Environment Day on 5 June, Comfy re-launched its “Campaign for Recycling Empty Bottles”. Collected empty tubes were transformed into recycled products through professional processing. Offline, Comfy collaborated with four universities to host an environmental creative competition, working with consumers to give empty bottles new life and advocate environmental awareness.

During the Reporting Period, we supported law enforcement authorities in special operations to combat counterfeit production and sales, upholding sound market competition order and effectively safeguarding the Company's intellectual property rights and consumers' legitimate interests. We were invited to participate in the “Driving the Healthy and Sustainable Development of the Medical Aesthetics Industry through Standardized Innovation” roundtable discussion, part of the 2025 National People's Congress and Chinese People's Political Consultative Conference “Healthy Chinese” series hosted by People's Daily Online – People's Health, contributing to promoting the healthy development of the medical aesthetics industry.

II. BUSINESS OUTLOOK

Looking ahead to the second half of 2025, we will remain steadfast in our founding aspirations, intensify scientific research and industrialization exploration, and cement the Company's technological leadership. We will strengthen brand promotion and consumer engagement to fortify our brand image and lay a solid foundation for long-term growth. We will refine and solidify operations across various channels, cultivating sustainable, high-caliber capabilities and organizational resilience amidst change. The strong pass is iron, yet we stride onward from this start anew. We will persist in iterative progress and continuous advancement.

III. OPERATING RESULTS

Revenue

For the six months ended 30 June 2025, our total revenue was RMB3,112.7 million, representing an increase of 22.5% from total revenue of RMB2,540.4 million for the six months ended 30 June 2024. Such increase was mainly attributable to deepening our presence in both online and offline channels, enhancing refined operational capabilities, consolidating the growth of star products, iteratively upgrading core products, and strengthening brand marketing initiatives to enhance brand influence during the Reporting Period.

(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 periods indicated:

	For the six months ended 30 June			
	2025		2024	
	Amount	%	Amount	%
	(Unaudited)		(Unaudited)	
	(RMB in millions other than percentages)			
Professional skin treatment products				
– functional skincare products	2,409.5	77.4	1,939.6	76.4
– medical dressings	693.2	22.3	592.2	23.3
Functional foods and others	10.0	0.3	8.6	0.3
Total	3,112.7	100.0	2,540.4	100.0

Our overall growth in revenue was primarily driven by increased sales of professional skin treatment products. Among them, the increase in revenue from functional skincare products benefited from our continuous promotion of refined operations across all channels, continuous brand influence enhancement, as well as sustained volume expansion of the star product Focus Cream, and the successful launch of Collagen Mask King 3.0 after its iterative upgrade; the increase in revenue from medical dressings mainly benefited from the continuous enrichment of the product portfolio.

(ii) *Revenue by Sales Channel*

During the Reporting Period, we sold our products through direct sales and sales to our distributors. We directly sold products to (i) consumers through direct-to-customer (DTC) stores on e-commerce and social media platforms; (ii) e-commerce platforms; and (iii) hospitals, clinics, pharmacy chains, cosmetic store chains and supermarket chains. We also engaged distributors to sell and distribute our products to individual consumers, hospitals, clinics, pharmacy chains, cosmetic store chains and supermarket chains. 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 periods indicated:

	For the six months ended 30 June			
	2025		2024	
	Amount	%	Amount	%
	(Unaudited)		(Unaudited)	
	<i>(RMB in millions other than percentages)</i>			
Direct sales				
– Online direct sales through our DTC stores	1,816.4	58.4	1,603.2	63.1
– Online direct sales to e-commerce platforms	391.1	12.6	167.4	6.6
– Offline direct sales	117.8	3.7	67.6	2.7
Subtotal	2,325.3	74.7	1,838.2	72.4
Sales to distributors	787.4	25.3	702.3	27.6
Total	3,112.7	100.0	2,540.4	100.0

Direct sales

Online direct sales through our DTC stores

During the Reporting Period, revenue from online direct sales through our DTC stores amounted to RMB1,816.4 million, representing an increase of 13.3% as compared to the corresponding period in 2024 and accounting for 58.4% of total revenue for the Reporting Period. Such increase was attributable to (1) our continuous enhancement of online multi-platform layout and refined operations, accurately reaching target customers through Douyin, deepening brand influence by combining Tmall self-broadcasting and member operations, which effectively drove sales growth; (2) the continuous improvement in the recognition of Comfy Focus Cream (可復美焦點面霜), coupled with breakthroughs in high-potential categories such as the Hydration Series (噸噸系列), and the strong performance of Collgene's core product Collagen Mask King after its iterative upgrade, which drove revenue growth; (3) enhancing brand awareness and favorability through brand marketing and promotion to boost sales and revenue growth.

Online direct sales to e-commerce platforms

During the Reporting Period, revenue from online direct sales to e-commerce platforms amounted to RMB391.1 million, representing an increase of 133.6% as compared to the corresponding period in 2024, accounting for 12.6% of total revenue for the Reporting Period. Such increase was driven by JD.com's self-operated channel driving the rapid expansion of the beauty category through in-depth and refined operations targeting beauty consumers, and continuously consolidating its advantages in the health category by leveraging the platform's medical ecosystem resources.

Offline direct sales

During the Reporting Period, revenue from offline direct sales amounted to RMB117.8 million, representing an increase of 74.3% as compared to the corresponding period in 2024 and accounting for 3.7% of total revenue for the Reporting Period. Such increase was attributable to our continuous expansion of the number of stores and product coverage of offline direct sales customers such as cosmetics chain stores and supermarkets, as well as strengthened in-store marketing activities and staff training; meanwhile, we accelerated the expansion of Comfy brand stores in cities including Xi'an, Chengdu, Chongqing, Hangzhou, Nanjing and Tianjin, increased sales touchpoints, launched new products in the Comfy Precise and Intensive Repair Series (可復美幀域密修系列), and expanded usage scenarios, with multiple measures driving revenue growth.

Sales to distributors

During the Reporting Period, revenue from sales to distributors amounted to RMB787.4 million, representing an increase of 12.1% as compared to the corresponding period in 2024, accounting for 25.3% of total revenue for the Reporting Period. Such increase was attributed to our continuous advancement of the layout in cosmetics chain stores and pharmacy chains, along with increased product coverage, an enriched product portfolio, and the enhancement of distribution revenue.

(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 periods indicated:

	For the six months ended 30 June			
	2025		2024	
	Amount	%	Amount	%
	(Unaudited)		(Unaudited)	
<i>(RMB in millions other than percentages)</i>				
Professional skin treatment products				
– Comfy	2,541.9	81.7	2,070.9	81.5
– Collgene	502.7	16.1	396.1	15.6
– Other brands	58.1	1.9	64.9	2.6
Functional foods and others	10.0	0.3	8.6	0.3
Total	3,112.7	100.0	2,540.4	100.0

Professional skin treatment products

Comfy

During the Reporting Period, the sales revenue from Comfy amounted to RMB2,541.9 million, representing an increase of 22.7% as compared to the corresponding period in 2024 and accounting for 81.7% of total revenue for the Reporting Period. Such growth was attributable to (1) our continuous expansion of online and offline sales channels, increased brand promotion, optimization of operational strategies, and further enhancement of brand influence; (2) the continuous improvement in market recognition of star products, which drove revenue growth; (3) the continuous improvement of the medical device product portfolio.

Collgene

During the Reporting Period, the sales revenue from Collgene amounted to RMB502.7 million, representing an increase of 26.9% as compared to the corresponding period in 2024 and accounting for 16.1% of total revenue for the Reporting Period. Such increase was attributable to (1) our continuous expansion of online channels and further enhancement of brand awareness; (2) the successful upgrade and iteration of the star product Collagen Mask King, which contributed to incremental revenue.

Other Brands

During the Reporting Period, the sales revenue from other brands amounted to RMB58.1 million, representing a decrease of 10.5% as compared to the corresponding period in 2024 and accounting for 1.9% of total revenue for the Reporting Period. Such decrease was mainly due to the Company's implementation of strategic product upgrade and adjustment for the Ke Yu (可預) brand, as the relevant upgraded products are in an orderly transition phase for market launch.

Functional foods and others

During the Reporting Period, the sales revenue from functional foods and others amounted to RMB10.0 million, representing an increase of 16.3% as compared to the corresponding period in 2024 and accounting for 0.3% of total revenue for the Reporting Period.

Cost of sales

For the six months ended 30 June 2025, cost of sales amounted to RMB570.3 million, representing an increase of 27.5% from RMB447.2 million for the six months ended 30 June 2024. Such increase was mainly attributable to the growth in sales volume: (1) direct material costs of RMB417.8 million, representing an increase of RMB103.6 million compared with RMB314.2 million as of 30 June 2024; (2) corresponding increase in logistics and shipping expenses; (3) increase in corresponding manufacturing overheads and labor costs due to capacity expansion, addition of new production equipment and deployment of frontline personnel.

Gross profit and gross profit margin

For the six months ended 30 June 2025, gross profit amounted to RMB2,542.3 million, representing an increase of 21.5% from RMB2,093.2 million for the six months ended 30 June 2024, which was mainly due to the increase in sales revenue.

Gross profit margin decreased from 82.4% for the six months ended 30 June 2024 to 81.7% for the six months ended 30 June 2025, which was mainly due to changes in product category structure.

Selling and distribution expenses

For the six months ended 30 June 2025, selling and distribution expenses amounted to RMB1,058.6 million, representing an increase of 18.7% from RMB892.0 million for the six months ended 30 June 2024. Such increase was mainly due to increased investment in brand building, including brand promotion, marketing and channel expansion, to drive business expansion and category development, while continuously optimizing operational efficiency and consolidating the foundation for long-term growth.

Research and development costs

For the six months ended 30 June 2025, research and development costs amounted to RMB41.2 million, representing a decrease of 15.5% from RMB48.7 million for the six months ended 30 June 2024, and accounting for 1.3% and 1.9% of our revenue for the six months ended 30 June 2025 and for the six months ended 30 June 2024, respectively. Such decrease was mainly attributable to some research and development projects having entered the stage of result conversion, and decrease of stock incentive related expenses.

Other income

For the six months ended 30 June 2025, other income amounted to RMB68.8 million, representing an increase of 31.2% from RMB52.4 million for the six months ended 30 June 2024. Such increase was mainly attributable to the increase in interest income.

Other gains, net

For the six months ended 30 June 2025, other net gains amounted to RMB17.9 million, representing an increase of 0.6% from RMB17.8 million for the six months ended 30 June 2024, remaining substantially flat period-on-period.

Administrative expenses

For the six months ended 30 June 2025, administrative expenses amounted to RMB82.6 million, representing an increase of 25.7% from RMB65.7 million for the six months ended 30 June 2024, which was mainly attributable to the increase in salary expenses due to the expansion of management personnel and increased investment in digital upgrading.

Income tax expense

For the six months ended 30 June 2025, income tax expense amounted to RMB261.7 million, representing an increase of 49.9% from RMB174.6 million for the six months ended 30 June 2024, which was mainly due to the growth in our taxable profit.

Profit for the period

As a result of the foregoing, for the six months ended 30 June 2025, profit for the period amounted to RMB1,182.4 million, representing an increase of 20.6% from RMB980.6 million for the six months ended 30 June 2024.

Basic and diluted earnings per share

For the six months ended 30 June 2025, the basic earnings per share amounted to RMB1.14, representing an increase of 15.2% from RMB0.99 for the six months ended 30 June 2024. For the six months ended 30 June 2025, the diluted earnings per share amounted to RMB1.13, representing an increase of 16.5% from RMB0.97 for the six months ended 30 June 2024. The increase in basic and diluted earnings per share was mainly due to the growth in profits during the period.

Gearing ratio

Gearing ratio represents the percentage of interest-bearing borrowings to total equity. As of 30 June 2025, we did not have any outstanding bank loans or other borrowings. As a result, gearing ratio was not applicable as of 30 June 2025.

INTEREST EXPENSE OF BANK AND OTHER BORROWINGS

As of 30 June 2025, 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 then on hand, it may seek to issue equity or debt securities or obtain credit facilities.

PLEDGE OF ASSETS

As of 30 June 2025, the Group did not pledge any assets.

MATERIAL INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2025, the Group had no material investments with a value of 5% or more of the Group's total assets as of 30 June 2025 (including any investment in an investee company with a value of 5% or more of the Group's total assets as at 30 June 2025), 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**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 30 June 2025.

LIQUIDITY AND CAPITAL RESOURCES

As of 30 June 2025, our liquidity amounted to RMB6,943.8 million, which consisted of cash and cash equivalents, representing an increase of 72.3% from RMB4,030.2 million as of 31 December 2024.

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 use any financial instruments such as forward exchange rate contract to hedge the risks.

Credit Risk

Receivable balances are monitored on an on-going 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 to some extent, 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 highly trustworthy 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 the 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.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group had no material contingent liabilities.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

As of 30 June 2025, our capital commitments mainly consisted of plant, machinery and buildings amounting to RMB253.7 million. The Company recorded capital expenditures of RMB295.7 million for the six months ended 30 June 2025, which were primarily used for plant, machinery and buildings.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of 30 June 2025, the Group had 2,162 full-time employees, the majority of whom were based in Shaanxi Province, China. The following table sets forth the number of employees of the Group categorized by function as of 30 June 2025:

Function	Number of Employees	% of Total
Manufacturing	945	43.7
Research and development	186	8.6
Sales and marketing	628	29.1
General and administration	403	18.6
Total	2,162	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 reach talents with education background 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 pre-job transfer training to internal transferred 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 1.77% 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 9.29% 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 1.86% 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.

INTERIM DIVIDENDS

The Board has resolved not to recommend the distribution of interim dividends for the six months ended 30 June 2025.

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).

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 six months ended 30 June 2025, 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 the 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 the 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 will be used 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 will be used for the expansion of manufacturing capacity with respect to our product portfolios and bioactive ingredients;
- approximately 46% of the net proceeds will be used to enhance our omni-channel sales and distribution network, and implement our science- and knowledge-driven marketing initiatives to enhance our brand recognition;
- approximately 5% of the net proceeds will be used 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 devices; and (iii) recruitment of IT specialists, including software developers and IT engineers; and

- approximately 10% of the net proceeds will be used for working capital and general corporate uses.

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 disclosed above.

As of 30 June 2025, 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 2025 (HK\$ million)	Utilized amount during the six months ended 30 June 2025 (HK\$ million)	Accumulated amount utilized as at 30 June 2025 (HK\$ million)	Unutilized amount as at 30 June 2025 (HK\$ million)	Expected timetable for full utilization of remaining net proceeds
Investment in our 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	–	–	63.1	0	/
Expansion of manufacturing capacity with respect to our product portfolios and bioactive ingredients	28%	160.6	–	–	160.6	0	/
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	–	–	263.9	0	/
Enhancement of our operation and information systems	5%	28.7	13.5	9.6	24.8	3.9	31 December 2027
Working capital and general corporate uses	10%	57.4	–	–	57.4	0	/
Total	100%	573.7	13.5	9.6	569.8	3.9	

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), among 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 two 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 30 June 2025, the details of the Group's utilization of the net proceeds from the Subscription are set out in the table below:

Purpose	% of use of proceeds raised	Net proceeds (HK\$ million)	Unutilized amount as at 1 January 2025 (HK\$ million)	Utilized amount in 2025 (HK\$ million)	Accumulative utilized amount as at 30 June 2025 (HK\$ million)	Unutilized amount as at 30 June 2025 (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	1,151.9	334.2	646.7	817.6
Replenishment of liquidity and general corporate purposes	10%	162.7	144.2	36.7	55.2	107.5
Total	100%	1,627	1,296.1	371.0	701.9	925.1

On 16 April 2025 (after trading hours), the Company, Juzi Holding Co., Ltd. (the “**Top-up Vendor**”), and Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited and The Hongkong and Shanghai Banking Corporation Limited (collectively, the “**Joint Bookrunners**”) 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 Joint Bookrunners have severally agreed, as agent for the Top-up Vendor, to use its best efforts to procure the placees (who will be professional, institutional, corporate or other investors, and who and whose ultimate beneficial owners shall be independent third parties) to purchase 35,000,000 shares held by the Top-up Vendor at a price of HK\$66.65 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 23 April 2025 and 28 April 2025, the Vendor Placing and the Subscription were completed respectively. For details, please refer to the Company's announcements dated 17 April 2025 and 28 April 2025, respectively.

The net proceeds received by the Company from the Subscription are approximately HK\$2,294 million (after deducting commissions and estimated expenses), among which (i) 90% are proposed to be applied for the development of core business and its ecosystem, including but not limited to brand promotion, marketing, category expansion, overseas business and R&D investment; and (ii) 10% are proposed to be used for the 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 five 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 30 June 2025, the net proceeds from the Vendor Placing and the Subscription have not been utilized by the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save for those disclosed in this results announcement, 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.

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 unaudited interim results and interim report of the Company for the six months ended 30 June 2025.

The unaudited interim results for the six months ended 30 June 2025 have been reviewed by the Company's independent auditors, Ernst & Young, 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.

CHANGE OF MEMBERS OF THE NOMINATION COMMITTEE

In response to the amendments to the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules with effect from 1 July 2025, the Board announces the below change of members of the Nomination Committee:

Mr. Shan Wenhua, an independent non-executive Director, has ceased to act as a member of the Nomination Committee of the Company. Ms. Wong Sze Wing, an independent non-executive Director, was appointed as a member of the Nomination Committee of the Company with effect from August 27, 2025.

Following the above changes, the Nomination Committee will comprise two independent non-executive Directors (namely Mr. Huang Jin and Ms. Wong Sze Wing) and one executive Director (namely Mr. Yan Jianya, the chairman of the committee), and has comprised at least one Director of a different gender.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xajuji.com). The interim report of the Company for the six months ended 30 June 2025 will be published on the aforesaid 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, 27 August 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.