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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 2025

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Changes
	2025	2024	
	<i>RMB million</i>	<i>RMB million</i>	
Revenue	5,518.5	5,538.8	-0.4%
Gross profit	4,433.4	4,546.9	-2.5%
Profit before tax	2,350.3	2,457.8	-4.4%
Net profit	1,914.7	2,061.7	-7.1%
Earnings attributable to the owners of parent company	1,914.8	2,062.3	-7.2%
Adjusted net profit for the year (non-IFRS measure)	1,959.9	2,151.5	-8.9%
Basic earnings per Share	1.83	2.10	-12.9%
Diluted earnings per Share	1.81	2.06	-12.1%

The Board proposed to distribute final dividends of RMB0.5390 per ordinary share and proposed to distribute special dividends of RMB0.6714 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 2025 (the “**Reporting Period**”) with the comparative figures for the corresponding period in 2024. 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	
		2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	5,518,512	5,538,812
Cost of sales		<u>(1,085,162)</u>	<u>(991,897)</u>
Gross profit		<u>4,433,350</u>	<u>4,546,915</u>
Selling and distribution expenses		(2,055,888)	(2,008,239)
Administrative expenses		(168,479)	(150,543)
Research and development costs		(88,792)	(106,499)
Other expense		(1,165)	(2,539)
Other income	4	189,868	138,745
Other gains or losses, net	5	31,625	43,846
Finance cost		(302)	(239)
Reversal of/(provision for) impairment losses on financial assets, net		592	(92)
Share of gains/(losses) of investments accounted for using the equity method		<u>9,495</u>	<u>(3,601)</u>
PROFIT BEFORE TAX	6	2,350,304	2,457,754
Income tax expense	7	<u>(435,642)</u>	<u>(396,027)</u>
PROFIT FOR THE YEAR		<u>1,914,662</u>	<u>2,061,727</u>
Attributable to:			
Owners of the parent		1,914,836	2,062,347
Non-controlling interests		<u>(174)</u>	<u>(620)</u>
		<u>1,914,662</u>	<u>2,061,727</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
<i>Notes</i>	2025	2024
	RMB'000	RMB'000
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Translation of the subsidiaries' functional currency to presentation currency	<u>(9,232)</u>	<u>(7,532)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income ("FVTOCI"):		
Changes in fair value	8,772	–
Translation of the Company's functional currency to presentation currency	<u>(79,722)</u>	<u>19,301</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>(80,182)</u>	<u>11,769</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>1,834,480</u>	<u>2,073,496</u>
Attributable to:		
Owners of the parent	1,834,654	2,074,116
Non-controlling interests	<u>(174)</u>	<u>(620)</u>
	<u>1,834,480</u>	<u>2,073,496</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		
	9	
Basic (RMB yuan)	1.83	2.10
Diluted (RMB yuan)	<u>1.81</u>	<u>2.06</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December	
		2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,203,519	1,041,771
Other intangible assets		4,981	5,816
Right-of-use assets		53,202	51,022
Prepayments, other receivables and other assets, non-current	<i>12</i>	318,829	525,050
Investments accounted for using the equity method		217,535	11,436
Equity investments designated at FVTOCI		24,290	–
Deferred tax assets		522	906
Total non-current assets		1,822,878	1,636,001
CURRENT ASSETS			
Inventories	<i>10</i>	391,070	310,814
Trade and bills receivables	<i>11</i>	201,866	141,282
Prepayments, other receivables and other assets, current	<i>12</i>	135,123	91,014
Financial assets at fair value through profit or loss ("FVTPL")	<i>13</i>	1,984,326	1,828,640
Cash and cash equivalents	<i>14</i>	6,306,160	4,030,207
Total current assets		9,018,545	6,401,957
CURRENT LIABILITIES			
Trade payables	<i>15</i>	198,568	286,708
Other payables and accruals	<i>16</i>	505,242	408,890
Tax payable		70,348	117,018
Lease liabilities, current		6,428	4,701
Deferred income		2,756	1,561
Contract liabilities	<i>17</i>	16,622	17,117
Total current liabilities		799,964	835,995
NET CURRENT ASSETS		8,218,581	5,565,962
TOTAL ASSETS LESS CURRENT LIABILITIES		10,041,459	7,201,963

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities, non-current	3,261	2,009
Deferred income	16,322	18,934
Deferred tax liabilities	97,090	61,198
	<hr/>	<hr/>
Total non-current liabilities	116,673	82,141
	<hr/>	<hr/>
Net assets	9,924,786	7,119,822
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Ordinary share capital	68	65
Treasury shares	(166,147)	(1)
Reserves	10,077,552	7,108,148
	<hr/>	<hr/>
	9,911,473	7,108,212
	<hr/>	<hr/>
Non-controlling interests	13,313	11,610
	<hr/>	<hr/>
Total equity	9,924,786	7,119,822
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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 2025. 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 derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised 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 amended IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IAS 21	<i>Lack of Exchangeability</i>
Amendments to Illustrative Examples Disclosures about Uncertainties in the Financial Statements on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	<i>Disclosures about Uncertainties in the Financial Statements</i>

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

- (a) 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 in 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 Group's financial statements.
- (b) The IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has assessed and concluded that the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended 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 amended IFRS Accounting Standards, if applicable, when they become effective.

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

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

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for IFRS 18, the directors of the Company anticipate that the application of these new and revised IFRS Accounting Standards will have no 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 Chinese mainland and all of the Group's non-current assets were located in Chinese mainland, 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 2025 and 2024.

4. REVENUE AND OTHER INCOME

Revenue

An analysis of revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers	<u>5,518,512</u>	<u>5,538,812</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Type of goods or services		
Sale of goods	<u>5,518,512</u>	<u>5,538,812</u>
Geographical market		
Chinese mainland	<u>5,518,512</u>	<u>5,538,812</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>5,518,512</u>	<u>5,538,812</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	
	2025	2024
	RMB'000	RMB'000
Revenue recognized that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	<u>17,117</u>	<u>35,751</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	
	2025	2024
	RMB'000	RMB'000
Other income		
Government grants*	20,302	26,998
Bank interest income	167,675	111,347
Others	1,891	400
	<u>189,868</u>	<u>138,745</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 has complied with the conditions attached to the grant and the government has 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	
	2025	2024
	RMB'000	RMB'000
Foreign exchange losses	(14,970)	(3,590)
Fair value gains on financial assets at FVTPL	49,934	43,270
Gains on deemed disposal of a subsidiary	–	667
Others	(3,339)	3,499
	<u>31,625</u>	<u>43,846</u>
Total other gains or losses, net		

6. PROFIT BEFORE TAX

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

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		RMB'000	<i>RMB'000</i>
Cost of inventories, consumables and customized products		752,005	702,041
Depreciation of property, plant and equipment		73,123	42,871
Depreciation of right-of-use assets		7,748	5,060
Amortization of other intangible assets		1,375	1,555
(Reversal of)/provision for impairment of trade and bills receivables		(643)	942
Provision for/(reversal of) impairment of prepayments, other receivables and other assets		51	(849)
Government grants	4	(20,302)	(26,998)
Marketing and promotion expenses		1,890,247	1,855,150
Bank interest income	4	(167,675)	(111,347)
Foreign exchange losses	5	14,970	3,590
Provision for impairment of inventories		2,219	3,138
Employee benefit expenses (including directors' and chief executive's remuneration):			
– Wages, salaries and allowances		255,027	188,706
– Pension scheme contributions, social welfare and other welfare		52,976	42,945
– Equity-settled share award expense		45,242	89,723
Other outsourcing labor costs		39,762	29,088
Auditor's remuneration		2,160	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	
	2025	2024
	RMB'000	<i>RMB'000</i>
Administrative expenses	20,518	30,188
Research and development costs	11,205	26,785
Selling and distribution expenses	12,281	30,555
Cost of sales	1,238	2,195
	45,242	89,723

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

The provision for corporate income tax in Chinese mainland 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 2025 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	
	2025 RMB'000	2024 RMB'000
Current tax: Charge for the year	400,914	385,300
Deferred tax	34,728	10,727
Total tax charge for the year	<u>435,642</u>	<u>396,027</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	
	2025 RMB'000	2024 RMB'000
Profit before tax	<u>2,350,304</u>	<u>2,457,754</u>
Tax at the applicable tax rate of 25%	587,576	614,439
Effect of preferential tax rates of some subsidiaries	(247,519)	(253,418)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	91,826	23,352
Expenses not deductible for tax	7,449	17,246
Tax losses utilised from previous periods	(189)	(169)
Tax losses not recognized	6,422	2,310
Profits attributable to associates	(1,424)	–
Additional deductible allowance for research and development expenses	<u>(8,499)</u>	<u>(7,733)</u>
Tax charge at the Group's effective rate	<u>435,642</u>	<u>396,027</u>

8. DIVIDENDS

On 13 June 2025, the Company's shareholders approved 2024 final dividend of RMB0.6021 per ordinary share and special dividend of RMB0.5921 per ordinary share, in an aggregate amount of RMB1,278,874,000. The dividend was paid in 2025.

The proposed final dividend for the year ended 31 December 2025 of RMB0.5390 per ordinary share and proposed special dividend for the year 2025 of RMB0.6714 per ordinary share, equivalent to an aggregate of approximately RMB1,290,000,000, 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 1,046,688,011 (2024: 981,906,744) outstanding during the year.

The calculation of the diluted earnings per share amount 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 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:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary shares holders of the parent, used in the basic earnings per share calculation	1,914,836	2,062,347
	Year ended 31 December	
	2025	2024
Number of shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	1,046,688,011	981,906,744
Effect of dilution – weighted average number of ordinary shares:		
RSU Scheme	8,830,487	4,497,646
2023 Share Option Scheme	3,859,816	15,290,483
Total	1,059,378,314	1,001,694,873

10. INVENTORIES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	76,956	84,326
Work in progress	13,140	8,523
Finished goods	300,974	217,965
	<hr/>	<hr/>
Total	391,070	310,814
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11. TRADE AND BILLS RECEIVABLES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	191,916	111,764
Bills receivable	10,821	31,032
Impairment	(871)	(1,514)
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Total	201,866	141,282
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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 minimise 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 receivables 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	201,635	140,804
Over one year and within two years	223	440
Over two years and within three years	8	5
Over three years	–	33
	<hr/>	<hr/>
Total	201,866	141,282
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12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current:		
Bank deposits	178,707	440,405
Prepayment of property, plant and equipment	140,122	84,645
Total	<u>318,829</u>	<u>525,050</u>
Current:		
Prepayments	70,176	64,311
Deposits and other receivables	38,079	19,501
Value-added tax recoverable	27,057	7,340
Impairment allowance	(189)	(138)
Total	<u>135,123</u>	<u>91,014</u>

The balances are not secured with collateral.

13. FINANCIAL ASSETS AT FVTPL

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Financial products	<u>1,984,326</u>	<u>1,828,640</u>

The Group entered contracts in respect of financial products from banks and 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	6,306,160	4,030,207
Denominated in		
RMB	2,396,997	2,320,570
USD	3,801,788	1,709,565
HKD	107,375	72

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“**RMB**”) amounted to RMB2,396,997,000 (2024:RMB2,320,570,000). The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	195,359	279,253
Over one year and within two years	1,063	3,300
Over two years	2,146	4,155
Total	198,568	286,708

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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Payables for purchase of property, plant and equipment	142,098	265,739
Deposits and other payables	289,789	81,787
Payroll payable	62,006	51,465
Other tax payable	11,349	9,899
	<hr/>	<hr/>
Total	505,242	408,890
	<hr/>	<hr/>

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

17. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers		
Sales of products		
Current	16,622	17,117
	<hr/>	<hr/>

18. COMMITMENTS

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for:		
Property, plant and equipment	316,392	132,842
	<hr/>	<hr/>

I. BUSINESS REVIEW

The year 2025 was an extraordinary year for us. Facing a highly competitive, complex, and ever-changing industry environment, compounded by external shocks, the short-term growth of the Group moderated. However, amidst the twists and turns, we also saw opportunities demanding change and felt the trust consumers have in our brands and products. The team's resolve and resilience are stronger than ever, enabling us to continuously achieve breakthroughs in long-term capability building. Confronting yesterday is for moving forward better; the Giant Biogene team strides with confidence into yet another spring.

During the Reporting Period, the Group's sales revenue was approximately RMB5.52 billion, remaining largely flat year-on-year; the Group's net profit was approximately RMB1.91 billion, a year-on-year decrease of 7.1%; the Group's adjusted net profit was approximately RMB1.96 billion, a year-on-year decrease of 8.9%.

Deeply Rooted in Scientific Research with Unswerving Commitment

As the industry evolves, technology remains the unchanging core of competitiveness. Dedicated scientific research is our starting point and the future we continue to invest in heavily. During the Reporting Period, the Company's research and development expenditure were approximately RMB88.8 million, accounting for 1.6% of revenue. As of the end of the Reporting Period, the Group had over 140 ongoing research projects. As of the end of the Reporting Period, the Company has been granted and applied for 209 patents, including 42 new patents granted or applied during the Reporting Period.

After years of research and development accumulation, the Group achieved a milestone with its class III medical devices. In October 2025 and January 2026, the Company's Recombinant Type I $\alpha 1$ Subtype Collagen Freeze-dried Fibers and the Recombinant Type I $\alpha 1$ Subtype Collagen and Sodium Hyaluronate Composite Solution received approval from China National Medical Products Administration. This fully demonstrates our continuously leading innovation capabilities and strategic focus, officially embarking on a new journey into the vast market space of skin rejuvenation. Starting from 2026, we will accelerate the preparation for the market launch of the approved products and continue to advance the research and development and regulatory submission of subsequent pipeline products, providing strong support for the Group's dual-aesthetic strategy.

Through continuous exploration into the research and development and industrialization of collagen technology, the Group leads the industry in pushing the boundaries of innovation. During the Reporting Period, we obtained multiple invention patents concerning the application of Type I, IV, VI, and XVII collagen in areas such as skin health, whitening, and hair health, exploring new subtypes, new molecules, and new scenarios. This provides a continuous stream of technical support for the industrial application of recombinant collagen, the Chinese-developed ingredient. Concurrently, the Group actively explored the applications of ginsenosides in scenarios like sleep health, anemia improvement and anti-fatigue, and memory enhancement, securing several exclusive patents with notable innovation and application prospects. In the

future, the Group will continue its intensive research focus on these two core ingredients, building the most solid and enduring barriers with technological achievements, while also reserving more proprietary bioactive materials.

During the Reporting Period, the Pharmaceutical Industry Standard of the PRC “Recombinant Collagen Dressing” (《重組膠原蛋白敷料》), in the drafting of which the Company participated, and the group standard “Recombinant Type IV Collagen for Cosmetics” (《化妝品用重組IV型膠原蛋白》) formulated under the lead of the Company were officially released. The Company’s Synthetic Biology R&D Center was honored with the title of “National Advanced Collective in Light Industry Sector (全國輕工行業先進集體)”, and approvals were granted for the establishment of the “Shaanxi Provincial Enterprise Technology Center (20th Batch) (第二批陝西省企業技術中心)” and the “Shaanxi Active Substance Biomanufacturing Innovation Center (陝西省活性物質生物製造創新中心)”. These recognitions reflect our contributions to the standardization and high-quality development of the industry.

Product-Oriented, Committed to Excellence

KOMFYMED continued to strengthen its development strategy of “synergy of medical device and cosmetics (械妝協同)”. As of the end of the Reporting Period, it had formed a matrix comprising the medical device series and five functional skincare series, closely targeting consumers’ skin concerns in real-life scenarios. Each series has already established a leader product in terms of mindshare or sales volume.

Within the medical device series, building on the reputation and recognition of KOMFYMED Repair Dressing accumulated over more than a decade within the professional medical aesthetics system, we have established a strong mindshare in the post-aesthetic treatment scenario and secured a leading market share position in the dressing market. During the Reporting Period, the Group expanded into more product formats, penetrating various problem-solution scenarios with categories such as lotions, creams and essence. In the future, supported by professional mindshare, professional channels, and professional leader products, we aim to achieve growth for this series.

Within the Collagen Repair Series, during the Reporting Period, the Group launched the KOMFYMED Recombinant Collagen Restoration Single-Use Essence (“**Collagen Stick 2.0**”). This iteration upgrade of the leader product, Collagen Stick, incorporates proprietary recombinant Type IV collagen to enhance its efficacy in scenarios like quickly fade redness, thereby improving consumer perception and trust. At the 2025 Tmall Beauty Awards (2025年天貓金妝獎), Collagen Stick 2.0 once again won the Annual Essence Award (年度精華獎) and also received the Annual Top Single Product Award (年度TOP單品獎) and the Annual Youth Choice Award (年度年輕人選擇獎). In the future, the Group will continue to invest more in brand promotion targeting gifting occasions, innovative scenarios, and brand value, continuously opening new growth avenues for Collagen Stick. In 2026, the Group plans to launch important new products within the Collagen Repair Series to offer consumers a richer repair experience.

Within the Focus Series, the leader product, Focus Cream, achieved rapid and healthy growth during the Reporting Period, establishing market recognition for the Focus Series in improving sub-healthy skin conditions. In 2026, the Group plans to launch important new products under this Series to enrich the product matrix and sustain its upward momentum. During the Reporting Period, the Group launched the new Precise and Intensive Repair Series, precisely targeting skin thermal damage and skin barrier impairment following minimally invasive aesthetic procedures like laser and light-based treatments. These products have entered high-mindshare channels such as the brand's offline flagship stores and Sephora, contributing to an elevation of the overall KOMFYMED brand image. Furthermore, the Hydration Series targeting dry skin and the Regular Series targeting acne-prone skin have gained greater understanding and trust among consumers.

For the Collgene brand, during the Reporting Period, the Group launched Version 3.0 of its high-volume leader product, Collagen Mask King. This iteration achieved breakthroughs in formula efficacy, visual identity, and product packaging, further strengthening mindshare in the anti-aging mask category and garnering positive market feedback. In 2026, the Group plans to launch important new products under the Collgene brand and gradually reorganize and reshape the brand and its product line structure in the future.

For the Ke Yu brand, during the Reporting Period, the Group reorganized and planned its product series lines, with the positioning of a one-stop health lifestyle toolkit, adding new series such as facial and oral care, and scar care. It launched or refreshed products like Medical Recombinant Collagen Repair Dressing, Medical Recombinant Collagen Nasal Care Solution, and Recombinant Collagen Scar Repair Silicone Gel, providing more comprehensive solutions for family health care.

Brand Promotion Speaks Out with Sincerity and Resonance

Technology-driven, sincere and reliable. During the Reporting Period, the KOMFYMED brand was invited to participate in top-tier industry academic conferences, including the ICIC 2025 International Cosmetic Innovation Conference, the CSD 2025 30th Annual Meeting of Chinese Society of Dermatology, and the CDA 2025 20th Annual Meeting of China Dermatologist Association, thereby linking up with scientific consensus. It collaborated with the Cosmetic Evaluation Center of West China Hospital of Sichuan University and partnered with Umer Doctor to professionally evaluate the efficacy of Collagen Stick 2.0. Concurrently, the KOMFYMED brand launched the second season of Empty Bottle Recycling Program, contributing to sustainable development and rural education aspirations; initiated the first Journey of Restoration and Regeneration, experiencing the vitality of cultural heritage; and partnered with YAN LAB to start a new journey of taking domestic brands overseas in the romantic capital.

A year of “Reconfiguration”, a new chapter in Self-pleasure. During the Reporting Period, the Collgene brand, with “reconfiguration” as its central theme, organized activities including identity exploration, energy balance, emotional care, and open mic sessions to fully establish a physical and mental connection with consumers. It participated in industry events such as the CAME Summit, the Mevos Congress, and the IMAAC, and collaborated with Xiaohongshu for a session by session ingredient education initiative, building a foundation of technology and trust.

Nurturing companionship, beauty and warmth. During the Reporting Period, the Ke Yu brand underwent a revitalization and upgrade, opening a new chapter in its brand development. Ke Yu planned a series of activities centered on family moments, companionship moments, and healing moments, projecting glimmers of health and beauty into daily life experiences. In offline events, Ke Yu engaged with university campuses, urban street corners, specialized hospitals, and industry exhibitions, responding to expectations with professionalism and building a brand perception of reassurance and trust for consumers.

Channel Change, Moving Forward with Breakthrough

During the Reporting Period, the Group further deepened the dual-track offline presence in both professional and mass channels, solidifying its endorsement by opinion leaders and optimizing the service experience. As of the end of the Reporting Period, the Group's brands and products had 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 shopping malls, the KOMFYMED brand stores expanded from Northwest China to East China and North China, with a total of 32 stores opened by the end of the Reporting Period. Continuous iterations in product display and store operations helped refine the store model. In overseas markets, during the Reporting Period, the KOMFYMED brand expanded its presence by entering Watsons in Singapore and Malaysia, Shilla Duty Free in Seoul, South Korea, and online channels in North America, reaching consumers around the world.

For the online channel, the Group implemented a differentiated operational strategy. On the Tmall platform, we focused on deep cultivation of user value, with brand and product mindshare forming the Group's foundation and long-term focus. On the Douyin platform, we leveraged multi-account live streaming to mitigate external fluctuations, relying on user and platform insights to refine content and advertising placement. On the JD.com platform, we fully developed professional scenarios to enhance the value derived from trust and consumer behavior, achieving steady business growth. Admittedly, the Group also recognized that traditional dividends are no longer available, and the uncertainty of external traffic has become pronounced. Healthy and sustainable growth will stem from undertaking difficult but fundamentally sound initiatives. The Group will increase investment in its self-operated system, more firmly implement the construction of independent, controllable, and multi-channel operations, and coordinate with the launch and promotion of multiple new products this year to form a balanced, high-quality business structure.

During the Reporting Period, the Group's direct sales channel revenue amounted to approximately RMB4.14 billion, accounting for 74.9%; the distribution channel generated revenue of RMB1.38 billion, accounting for 25.1%.

Committed to Society, Delivering Goodwill

Undertaking social responsibility is the initial intention and duty of the Group, and we hope to practice the corporate value of technology for good through each of our initiatives. During the Reporting Period, the Group carried out more than 10 public welfare and environmental protection activities to convey goodwill and hope. The Group partnered with non-profit social organizations to carry out several donation campaigns, bringing warmth and care to people from all walks of life. Together with its major brands, the Group continued to participate in public welfare activities such as the 19th National Skincare Day on 25 May, the 8th China Acne Week and World Psoriasis Day, so as to convey scientific and healthy skin care concepts to the public and contribute to the advancement of dermatological health. The Group launched the second phase of KOMFYMED Empty Bottle Recycling Program, introduced replacement cores for various products, and partnered with Ant Forest to carry out hiking activities, and actively implemented the environmental protection advocacy.

II. BUSINESS OUTLOOK

The resilience of an enterprise lies not only in its ability to ride the waves during favorable times, but is also deeply rooted in its composure and perseverance amidst volatility. The challenges and difficulties of 2025 made us realize: The development of a brand and enterprise will not always be smooth sailing. Adversity is never an end, but a starting point for gathering strength and setting off again. Especially in times of difficulty and challenge, we must remain true to our original aspiration, stay optimistic, and move forward with firm resolve. We believe that the underlying logic for our future growth remains unchanged, our core advantages are still solid, and new business segments and growth drivers are becoming increasingly clear. In 2026, the Company's goal is to return to growth, and the Group will be extremely focused on every aspect of value creation to achieve a comprehensive leap forward.

R&D and Innovation: We are advancing full steam ahead in the R&D and mass production of innovative raw materials, providing a continuous stream of synthetic biology ingredients to support the Company's future development in the serious medical, consumer medical and health sectors. We are accelerating the approval and registration of Class III medical devices to build long-term technological barriers and a robust product pipeline.

Products and Brands: The product team aims to develop a replicable capability for creating blockbuster products, continue to innovate and launch new products. The brand team, guided by its own brand philosophy and values, conducts authentic, professional and efficient brand promotion activities. At the group level, we continue to implement the dual-track brand strategy of B2C (delivering professional value) and C2B (responding to user needs), and build a diversified brand matrix.

Channels and Operations: Online e-commerce focuses on deepening our owned brand operations and building a network of key opinion leaders (KOLs) who highly align with the brand positioning and target audience to create a healthy and sustainable online sales ecosystem. The offline team adheres to the dual-track strategy of leveraging trust endorsement in medical channels and value expansion in consumer channels, further consolidating a nationwide network covering professional to mass markets.

Emerging Business Segments: We are committed to making a strong impact with the launch for Giant Medical Aesthetics. We are proactively incubating new brands such as Leeyen. We are promoting an overseas expansion strategy covering channels, brands, organization and industrial ecosystem.

Plants thrive and flourish; a promising spring awaits. The Group will strive relentlessly for the long-term value we share, with clear strategies, focused execution and an open mindset.

III. OPERATING RESULTS

Revenue

For the year ended 31 December 2025, the Group's total revenue amounted to approximately RMB5,518.5 million and remained substantially flat year-on-year, mainly due to the combined effects of intensified industry competition and external headwinds.

(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 the Group's revenue by product category (medical dressings classified as medical devices) for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Amount	%	Amount	%
	<i>(RMB in millions other than percentages)</i>			
Professional skin treatment products				
– functional skincare products	4,336.8	78.6	4,302.3	77.7
– medical dressings	1,160.0	21.0	1,218.1	22.0
Functional foods and others	21.7	0.4	18.4	0.3
Total	5,518.5	100.0	5,538.8	100.0

The Group's total revenue remained substantially flat year-on-year, primarily attributable to fluctuations in the sales of professional skin treatment products, among which, the increase in revenue from functional skincare products was driven by our continued efforts to strengthen marketing activities across all channels, as well as the sustained sales growth of the star product, KOMFYMED Focus Cream, and the successful launch of the upgraded version 3.0 of Collgene Collagen Mask King. The decline in revenue from medical dressings was mainly due to the Company's initiative to reinforce channel sales control in order to maintain its product pricing system, which had a temporary impact on short-term revenue scale.

(ii) *Revenue by Sales Channel*

During the Reporting Period, the Group sold its products through direct sales and to distributors. The Group sold directly to (i) consumers through direct-to-customer (DTC) stores on e-commerce and social media platforms; (ii) consumers on e-commerce platforms; and (iii) hospitals, clinics, pharmacy chains, cosmetic store chains and supermarket chains. The Group also engaged distributors to sell and distribute its products to individual consumers, hospitals, clinics, pharmacy chains, cosmetic store chains and supermarket chains. The following table sets forth the breakdown of the Group's revenue by sales channel in absolute amounts and as a percentage of the Group's total revenue for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Amount	%	Amount	%
	<i>(RMB in millions other than percentages)</i>			
Direct sales				
– Online direct sales through our DTC stores	3,402.1	61.6	3,587.2	64.8
– Online direct sales to e-commerce platforms	508.5	9.2	377.1	6.8
– Offline direct sales	224.7	4.1	169.9	3.0
Subtotal	4,135.3	74.9	4,134.2	74.6
Sales to distributors	1,383.2	25.1	1,404.6	25.4
Total	5,518.5	100.0	5,538.8	100.0

Direct sales

Online direct sales through our DTC stores

During the Reporting Period, revenue from online direct sales through our DTC stores, mainly including our official brand flagship stores on Tmall, Douyin and other platforms, amounted to approximately RMB3,402.1 million, representing a decrease of 5.2% as compared to 2024 and accounting for 61.6% of the total revenue in 2025. Such decrease was mainly driven by intensified industry price competition and external shocks, which led to a drop in revenue from KOL livestreaming channels. However, the DTC stores achieved positive overall revenue growth in self-operated livestreaming by launching new self-operated livestreaming rooms and enhancing refined operation of the self-operated segment. This initially demonstrates the effectiveness of the Company's strategy to deepen self-operated livestreaming and has partially offset the downward pressure on the performance of the DTC stores.

Online direct sales to e-commerce platforms

During the Reporting Period, revenue from online direct sales to e-commerce platforms, mainly including the Company's sales to e-commerce platforms such as JD.com and Vipshop, amounted to approximately RMB508.5 million, representing an increase of 34.8% as compared to 2024 and accounting for 9.2% of the total revenue in 2025. Such growth was mainly due to:(1) JD's self-operated channel continued to promote product portfolio innovation and the integration of marketing resources, achieving refined operation of beauty consumers and driving the rapid expansion of the beauty category; (2) Meanwhile, leveraging the platform's medical ecosystem resources, we strengthened the development strategy of "synergy between medical devices and cosmetics", further consolidating the core advantages of the health category.

Offline direct sales

During the Reporting Period, revenue from offline direct sales amounted to approximately RMB224.7 million, representing an increase of 32.2% as compared to and accounting for 4.1% of the total revenue in 2025. Such growth was attributable to the fact that, on the one hand, the Group continued to expand the number of stores and product coverage among offline direct customers such as cosmetic store chains and supermarket, actively developed new high-quality growth channels, and strengthened in-store marketing, terminal display and staff training. On the other hand, the Group continued to open KOMFYMED specialty stores in cities including Xi'an, Chengdu, Chongqing, Hangzhou, Nanjing, Tianjin and Yangzhou, which increased the number of points of contact for sales, and launched the KOMFYMED Precise and Intensive Repair Series, which broadened usage scenarios and thus further enhanced our revenue.

Sales to distributors

During the Reporting Period, revenue from sales to distributors amounted to approximately RMB1,383.2 million, representing a decrease of 1.5% as compared to 2024 and accounting for 25.1% of the total revenue in 2025. Such decrease was mainly due to the Company's initiative to reinforce channel sales control in order to maintain its product pricing system, which had a certain impact on the short-term revenue scale.

(iii) *Revenue by Brand*

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

	For the year ended 31 December			
	2025		2024	
	Amount	%	Amount	%
	<i>(RMB in millions other than percentages)</i>			
Professional skin treatment products				
– KOMFYMED	4,470.0	81.0	4,541.8	82.0
– Collgene	917.9	16.6	840.5	15.2
– Other brands	108.9	2.0	138.1	2.5
Functional foods and others	21.7	0.4	18.4	0.3
Total	5,518.5	100.0	5,538.8	100.0

Professional skin treatment products

KOMFYMED

During the Reporting Period, the sales revenue from KOMFYMED amounted to approximately RMB4,470.0 million, representing a decrease of 1.6% as compared to 2024 and accounting for 81.0% of the total revenue in 2025. Such decrease was mainly attributable to short-term revenue pressure amid external shocks and intensified price competition in the industry.

Collgene

During the Reporting Period, the sales revenue from Collgene amounted to approximately RMB917.9 million, representing an increase of 9.2% as compared to 2024 and accounting for 16.6% of the total revenue in 2025. Such increase was attributable to: (1) the Group actively expanded online channels to further enhance brand awareness; (2) the successful iterative upgrade of the star product Collagen Mask King, which contributed incremental revenue.

Functional foods and others

During the Reporting Period, the sales revenue from functional foods and others amounted to approximately RMB21.7 million, representing an increase of 17.8% as compared to 2024 and accounting for 0.4% of the total revenue in 2025.

Cost of sales

For the year ended 31 December 2025, cost of sales amounted to approximately RMB1,085.2 million, representing an increase of 9.4% from approximately RMB991.9 million for the year ended 31 December 2024. Such increase was mainly due to changes in product sales mix and the increase in other operating costs, which resulted in: (1) direct material costs amounted to approximately RMB752.0 million, representing an increase of approximately RMB50.0 million, or 7.1%, compared with approximately RMB702.0 million for the year ended 31 December 2024, mainly driven by changes in product sales mix; (2) the Company optimized and upgraded its logistics and delivery packaging standards to enhance consumers' shopping experience and strengthen customer loyalty, which resulted in a corresponding increase in logistics and delivery expenses; (3) to meet the needs of business development and expand production capacity, a new factory was put into operation during the year, and new production equipment was added simultaneously to improve the overall production capacity, leading to a corresponding increase in related costs.

Gross profit and gross profit margin

For the year ended 31 December 2025, gross profit amounted to approximately RMB4,433.4 million, representing a decrease of 2.5% from approximately RMB4,546.9 million for the year ended 31 December 2024, mainly due to the decrease in sales revenue and the increase in cost of sales.

Gross profit margin decreased from 82.1% for the year ended 31 December 2024 to 80.3% for the year ended 31 December 2025, mainly due to changes in product category mix.

Selling and distribution expenses

For the year ended 31 December 2025, selling and distribution expenses amounted to approximately RMB2,055.9 million, representing an increase of 2.4% from approximately RMB2,008.2 million for the year ended 31 December 2024. Such increase was mainly attributable to the continuous increase in investment in brand building, including brand promotion, marketing and channel development, so as to drive the steady development of the overall business.

Research and development costs

For the year ended 31 December 2025, research and development costs amounted to approximately RMB88.8 million, representing a decrease of 16.6% from approximately RMB106.5 million for the year ended 31 December 2024, accounting for 1.6% and 1.9% of our revenue in 2025 and 2024 respectively. Such decrease was mainly due to the fact that some R&D projects have entered the achievement transformation stage and the reduction in expenses related to share awards.

Other income

For the year ended 31 December 2025, other income amounted to approximately RMB189.9 million, representing an increase of 36.8% from approximately RMB138.7 million for the year ended 31 December 2024. Such increase was mainly attributable to the increase in interest income.

Other gains or losses, net

For the year ended 31 December 2025, other net gains amounted to approximately RMB31.6 million, representing a decrease of 27.9% from approximately RMB43.8 million for the year ended 31 December 2024. Such decrease was mainly due to an increase in exchange losses.

Administrative expenses

For the year ended 31 December 2025, administrative expenses amounted to approximately RMB168.5 million, representing an increase of 11.9% from approximately RMB150.5 million for the year ended 31 December 2024. Such increase was mainly due to the rise in remuneration expenses resulting from the expansion of management personnel and increased investment in digital upgrading.

Income tax expense

For the year ended 31 December 2025, income tax expense amounted to approximately RMB435.6 million, representing an increase of 10.0% from approximately RMB396.0 million for the year ended 31 December 2024. Such increase was mainly due to the withholding tax effect on the distributable profits of the Group's PRC subsidiaries.

Profit for the year

As a result of the foregoing, for the year ended 31 December 2025, profit for the year amounted to approximately RMB1,914.7 million, representing a decrease of 7.1% from RMB2,061.7 million for the year ended 31 December 2024.

Basic and diluted earnings per share

For the year ended 31 December 2025, the basic earnings per share amounted to RMB1.83, representing a decrease of 12.9% from RMB2.10 for the year ended 31 December 2024. For the year ended 31 December 2025, diluted earnings per share amounted to RMB1.81, representing a decrease of 12.1% from RMB2.06 for the year ended 31 December 2024. The decrease in basic and diluted earnings per share was mainly due to the decrease in profit for the year.

Gearing ratio

Gearing ratio represents the percentage of interest-bearing borrowings to total equity. As of 31 December 2025, our Group did not have any outstanding bank loans or other borrowings. As a result, gearing ratio was not applicable as of 31 December 2025.

INTEREST EXPENSE OF BANK AND OTHER BORROWINGS

As of 31 December 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 31 December 2025, the Group did not pledge any assets.

MATERIAL INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group had no material investments with a value of 5% or more of the Group's total assets as of 31 December 2025 (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 31 December 2025), nor had any material acquisitions or disposals of subsidiaries, associates and joint ventures.

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 2025.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended 31 December 2025, the Group's liquidity amounted to RMB6,306.2 million, which consisted of cash and cash equivalents, representing an increase of 56.5% from RMB4,030.2 million for the year ended 31 December 2024.

CONTINGENT LIABILITIES

As of 31 December 2025, the Group had no material contingent liabilities.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

As of 31 December 2025, the Group's capital commitments mainly consisted of property, plant and equipment, with an aggregate amount of approximately RMB316.4 million. The Company recorded capital expenditure of approximately RMB428.1 million for the year ended 31 December 2025, which were primarily used for the construction of new factories and the 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 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 the Group's 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.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of 31 December 2025, the Group had 2,201 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 31 December 2025:

Function	Number of Employees	% of Total %
Manufacturing	909	41.3
Research and development	211	9.6
Sales and marketing	673	30.6
General and administration	408	18.5
Total	2,201	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel. The Group recruits 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. The Group evaluates 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, the Group offers employees competitive salaries, performance based cash bonuses and other incentives. The Group have adopted comprehensive training protocols, pursuant to which the Group provides 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. The Group 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 at 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 extraordinary 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 at 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 at 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, the Company purchased certain of its shares pursuant to the general mandate granted to the Directors by the shareholders at the annual general meeting of the Company held on 13 June 2025. Details are set out below:

Month of Repurchase	Number of Shares Repurchased	Price Paid Per Share		Aggregate Consideration (excluding brokerage and other expenses) (HK\$)
		Highest Price Paid (HK\$)	Lowest Price Paid (HK\$)	
December 2025	5,200,000*	36.48	33.48	182,615,564

* Shares repurchased but not yet cancelled

The purchase of such shares is intended to benefit all shareholders by improving financial indicators of the Company including earnings per share and reflects the confidence of the Board and the management team in the long-term strategy and growth of the Group. Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s securities (including the sale of treasury shares) during the Reporting Period.

As at 31 December 2025, the Company held a total of 5,200,000 repurchased shares. Such shares will be cancelled in due course subject to compliance with the Listing Rules, applicable legislation and the provisions of the Articles of Association.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the Reporting Period and up to the date of this results announcement, save as disclosed in this results announcement, no significant event which has had a material impact on the business operations and financial position of the Company or the Group has occurred.

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 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 31 December 2025, the use of net proceeds by the Group is set out below:

Purpose	% of use of proceeds raised	Net proceeds (HK\$ million)	Unutilized	Utilized	Accumulated	Unutilized
			amount as at 1 January 2025 (HK\$ million)	amount in 2025 (HK\$ million)	amount utilized as at 31 December 2025 (HK\$ million)	amount as at 31 December 2025 (HK\$ million)
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	13.5	28.7	0
Working capital and general corporate uses	10%	57.4	-	-	57.4	0
Total	100%	573.7	13.5	13.5	573.7	0

As of the date of this announcement, the Company had utilized all of the net proceeds from the Global Offering in the manner consistent with the disclosure set out above.

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

Placing and Subscription Completed on 24 May 2024

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 not less than six 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 31 December 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)	Utilized amount in 2025 (HK\$ million)	Unutilized amount as at 31 December 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	642.7	509.2
Replenishment of liquidity and general corporate purposes	10%	162.7	67.0	77.2
Total	100%	1,627	709.7	586.4

Placing and Subscription Completed on 28 April 2025

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 not less than six 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.

On 16 April 2025 (i.e. the date of the Placing and Subscription Agreement), the closing price of the Company’s Shares quoted on the Stock Exchange was HK\$73.65 per Share. The net subscription price of the placed shares (after deducting commissions and estimated expenses) was approximately HK\$65.54 per subscribed share. Given that the Company intends to further enhance brand promotion, marketing, and R&D investment, as well as expand its product categories and overseas business, the Board believes that these businesses also require a continuous increase in substantial funds. In view of the Company’s good performance, continuous growth plans, and global market conditions, the Board therefore believes that the placing and subscription provide an opportunity to further enhance the Group’s financial strength to seize the above-mentioned growth opportunities.

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 31 December 2025, the details of the Group’s utilization of the net proceeds from the Placing are set out in the table below:

Purpose	% of use of proceeds raised	Net proceeds (HK\$ million)	Utilized amount in 2025 (HK\$ million)	Unutilized amount as at 31 December 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%	2,064.6	106.6	1,958.0
Replenishment of liquidity and general corporate purposes	10%	229.4	26.8	202.6
Total	100%	2,294	133.4	2,160.6

FINAL DIVIDENDS AND SPECIAL DIVIDENDS

The Board has resolved to recommend the distribution of final dividends of RMB0.5390 per ordinary share and special dividends of RMB0.6714 per ordinary share for the year ended 31 December 2025, subject to approval by the shareholders at the annual general meeting. The date for distribution of dividends is expected to be on or around 25 June 2026. 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 28 May 2026. The record date for determining the entitlement to attend and vote at the annual general meeting is 28 May 2026. To determine the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 22 May 2026 to 28 May 2026, 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 21 May 2026. 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 8 June 2026. For determining the entitlement to the proposed final dividends and special dividends, the register of members of the Company will be closed from 3 June 2026 to 8 June 2026, 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 2 June 2026.

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 2025.

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 2025 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, 19 March 2026

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.