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Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd.

杭州九源基因生物醫藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2566)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (杭州九源基因生物醫藥股份有限公司) (the “**Company**”, together with its subsidiary, the “**Group**”) is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended December 31, 2024 (the “**Corresponding Period**”). The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Board and the Audit Committee.

In this announcement, “we”, “us” and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places, as appropriate. Any discrepancies in any table, chart or elsewhere totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

For the Reporting Period, the Group recorded the following financial results:

- Revenue was RMB1,306.3 million, representing a decrease of 4.6% as compared to RMB1,369.2 million for 2024.
- Profit for the year attributable to owners of the Company was RMB138.4 million, remaining comparable to the RMB138.6 million for 2024.
- Basic earnings per share was approximately RMB0.56, representing a decrease of RMB0.12 as compared to RMB0.68 for 2024.

FINANCIAL SUMMARY

	For the year ended December 31,			
	2022	2023	2024	2025
	<i>RMB'000 (except percentage)</i>			
Results of Operations:				
Revenue	1,125,405	1,287,408	1,369,184	1,306,301
Gross profit	<u>854,262</u>	<u>990,669</u>	<u>1,081,679</u>	<u>1,054,063</u>
Profit for the year	59,867	119,775	138,601	138,407
Profit attributable to owners of the parent	59,867	119,775	138,601	138,407
Profitability:				
Gross profit margin	75.9%	77.0%	79.0%	80.7%
Profit margin attributable to owners of the parent	5.3%	9.3%	10.1%	10.6%
Earnings per share (RMB):				
Basic and diluted	<u>0.30</u>	<u>0.60</u>	<u>0.68</u>	<u>0.56</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Reviewing 2025, the Chinese pharmaceutical industry continued to demonstrate a trajectory of high-quality development, driven by multiple factors including innovation, policy, and technology. From an industry trend perspective, the number of innovative drugs approved by China's NMPA reached a historic high throughout the year. Domestic innovative drugs yielded abundant results, with the total value of out-licensing transactions hitting new records and international recognition significantly improving. The accelerated application of artificial intelligence is reshaping R&D paradigms; its deployment in target discovery and compound screening has substantially enhanced R&D efficiency and reduced early-stage costs. Support for pharmaceutical innovation has been provided across the entire chain by governments from the central to local levels. Unprecedented support has been directed towards products addressing unmet clinical needs and demonstrating significant clinical advantages. The utilization of channels such as Breakthrough Therapy Designation (BTD) and Conditional Approval has become more sophisticated, while products with First-in-Class (FIC) or Best-in-Class (BIC) potential are highly sought after. From a secondary market perspective, the innovative drug sectors in both the A-share and H-share markets surged continuously in 2025. Investment confidence in the pharmaceutical industry warmed up significantly, IPO enthusiasm among high-quality innovative drug companies soared, and China's voice in the global innovative drug arena markedly strengthened. Overall, after experiencing a prolonged period of adjustment, the pharmaceutical industry has achieved counter-cyclical growth. Chinese innovative drugs are poised to reshape the competitive landscape of the global pharmaceutical industry. For numerous innovative drug enterprises, this presents both risks and opportunities.

Building on our new starting point as a Hong Kong-listed company, and in light of new trends in industry development in 2025, we have systematically planned and upgraded the Company's development strategies. While maintaining the steady growth of our existing business, we will enhance our original innovation capabilities in a focused and phased manner, with the goal of becoming a biopharmaceutical company driven by innovative drugs and biopharmaceutical-device combination products, supplemented by generic products. For innovative products, the Company will focus on the two core segments of orthopedics and metabolism, and build a global and systematic product layout with high clinical value to continuously elevate its innovation capabilities. For generic products, the Company will select varieties with higher technical barriers and strong market demand to further enrich its product pipeline. Meanwhile, the Company will continue to optimize its pipeline echelon and global footprint, striving to secure a distinctive position for Jiuyuan in the global market.

Business Review

As of December 31, 2025, the Company achieved total revenue of RMB1,306.3 million, representing a slight year-on-year decrease of 4.6%, and net profit of RMB138.4 million, remaining largely flat year-on-year. The short-term decline in the Company's total revenue during the Reporting Period was mainly attributable to a decline in sales revenue of orthopedic products, which was the combined result of the policy environment and proactive strategic adjustments by the Company. On the policy front, the full implementation of the national medical insurance payment system reforms (DRGs/DIP) has strengthened rigid cost-control requirements, leading to more prudent product selection. Meanwhile, new nationwide coordinated online listing rules have been introduced under pharmaceutical price governance, resulting in passive price reductions for certain products. Internally, to optimize cash flow, the Company proactively converted the direct sales and distribution model of certain products to a commercial distribution model. Although this affected revenue recognition in the short term, it is conducive to the long-term financial health of the Company. In addition, the relaunch of hospital access procedures resulting from the Company's second name change exerted a temporary drag on performance.

Structural Highlights and Growth Resilience: Against the backdrop of overall pressure, the orthopedics business demonstrated strong growth resilience. Sustained growth in sales volume and improved market penetration validated the clinical value of our products and the effectiveness of our marketing strategies. The Company adheres to a differentiated competitive strategy. In the existing market, through high-frequency and high-quality academic engagement, we enhance the significant clinical value of orthopedic products, thereby promoting their broader use in clinical practice. We have systematically promoted academic outreach on Enhanced Recovery After Surgery (ERAS) principles to communicate and strengthen Guyoudao's therapeutic features of accelerated osteogenesis and high-quality bone formation (and expand value-added services such as postoperative rehabilitation), enhancing customer stickiness and building competitive barriers. In the incremental market, we target the vast district and county (lower-tier) markets. By expanding our commercial team, conducting grassroots academic exchanges, and promoting access to primary hospitals (securing medical insurance coverage), we have translated our professional advantages into market share, providing new momentum for product growth.

During the Reporting Period, the Company continued to expand its commercial footprint and advance the development of its product portfolio, with two new products launched:

Jixinfen[®] (PEGylation human granulocyte colony-stimulating factor injection) was approved for marketing in January 2025. It is indicated for reducing the incidence of infections manifested as febrile neutropenia in adult patients with non-myeloid malignancies receiving myelosuppressive anti-cancer drugs that are likely to cause febrile neutropenia.



During the Reporting Period, the Company actively carried out the launch and promotion of the new product and achieved remarkable results, having obtained market access in 20 provinces and municipalities. Meanwhile, Jixinfen® was selected in two rounds of joint centralized procurement for expansion and renewal across multiple provinces, which effectively ensured future price stability and provided favorable conditions and confidence for the subsequent scaled development of the product. The product generated aggregate sales revenue of RMB11.1 million for the full year.

Jilixin® (Avatrombopag maleate tablets) was approved for marketing in June 2025. Approved indications: (1) for adult patients with chronic liver disease-associated thrombocytopenia who are scheduled to undergo diagnostic procedures or surgery; (2) for adult patients with chronic primary immune thrombocytopenia (ITP) who have had an insufficient response to previous treatments such as corticosteroids or immunoglobulins, to increase platelet counts and reduce or prevent bleeding.



During the Reporting Period, the Company actively advanced both in-hospital and out-of-hospital sales channels. Jilixin® was included in the 11th National Centralized Procurement in November 2025, effectively enhancing patient accessibility. The product generated aggregate sales revenue of RMB1.8 million for the full year.

As of the date of this announcement, the Company's commercialized products are set out in the table below:

Product	Generic Name	Classification	Description	Indications	Approval Date
Orthopedics					
骨优导® Guyoudao	Bone repair material (recombinant human bone morphogenetic protein-2)	Drug-device combination	First marketed rhBMP-2 bone repair product in China	Filling and repair of bone defects, bone nonunion, bone delayed union, and graft repair of spinal fusion, joint fusion, and orthopedic bone graft	Oct 10, 2009
Oncology					
吉粒芬® Jilifen	Human granulocyte colony stimulating factor injection	Biologics	First marketed rhG-CSF product in China	Neutropenia	Nov 7, 1996
吉巨芬® Jijufen	Human interleukin-11 injection	Biologics	A platelet-derived growth factor product produced through recombinant DNA tec	Chemotherapy-induced thrombocytopenia	Sep 18, 2003
吉欧停® Jiouting	Palonosetron hydrochloride injection	Generic small molecule drug	Long-acting 5-HT3 receptor antagonist	Nausea and vomiting induced by radiation therapy, chemotherapy or postoperatively	Dec 19, 2008
吉芙维® Jifuwei	Fulvestrant injection	Generic small molecule drug	Estrogen receptor antagonist	Advanced breast cancer	Jun 28, 2022
吉坦苏® Jitansu	Fosaprepitant dimeglumine injection	Generic small molecule drug	Neurokinin-1 receptor antagonists	Chemotherapy-induced nausea and vomiting	Aug 1, 2023
吉新芬® Jixinfen	PEG-G – CSF Injection	Biologics	long-acting human granulocyte colony-stimulating factor	Neutropenia	Jan 14, 2025
吉立欣® Jilixin	Avatrombopag maleate tablets	Generic small molecule drug	Thrombopoietin receptor agonist	Thrombocytopenia induced by chronic liver diseases	Jun 24, 2025
Hematology					
吉派林® Jipailin	Low molecular weight heparin sodium injection	Generic small molecule drug	First low molecular weight heparin sodium injection product marketed in China	Venous thromboembolic diseases	Sep 5, 1997
亿诺佳® Yinuojia	Enoxaparin sodium injection	Generic small molecule drug	Enoxaparin sodium	Venous thromboembolic diseases	Mar 18, 2006

PRODUCT PORTFOLIO AND PIPELINE

As of the date of this announcement, we have built a diversified product portfolio comprising ten marketed products and more than ten product candidates which spans across our focused therapeutic areas. The following table sets forth selected information of our major product candidates as of the date of this announcement:

Innovative Drug													
Project Name	Product Name	Product Type	Dosage Form	Target/MoA	Indications	Pre-clinical	IND	Phase I	Phase II	Phase III	NDA	Commercialization	Next Milestone (Expected Time)
JY54	Amylin analog	Peptide	Subcutaneous injection	DACRAs receptor agonist	Metabolism (Obesity and Overweight)								Approval for clinical trial (2026H1)
JY54-2	Amylin analog	Peptide	Subcutaneous injection	DACRAs receptor agonist	Metabolism (Obesity and Overweight)								IND application (2026H2)
JY57	Long -acting FGF21 analog	Fusion protein	Subcutaneous injection	FGF21 receptor	Metabolism (MASH)								IND application (2026Q4)
JY47	SIRPα monoclonal antibody	Monoclonal antibody	Intravenous injection	CD47-SIRPα blockade	Solid tumors								Phase I clinical trial
JY47-2	SIRPα monoclonal antibody	Monoclonal antibody	Intravenous injection	CD47-SIRPα blockade	Metabolism								Approval for clinical trial (2026Q1)
Innovative Biopharmaceutical-Device Combination													
Project Name	Product Name	Product Type	Dosage Form	Target/MoA	Indications	Research Stage	Registration Inspection	Clinical Trials	Registration Submission				Next Milestone (Expected Time)
JY23	multipotent biological bone containing rhBMP-2	Drug-device combination	Bone graft	Bone Morphogenetic Protein and Bone	Bone repair								Accepted for review
JY23-2	Injectable rhBMP-2-integrated bone repair material	Innovative drug-device combination	Bone graft	Bio materials Protein and Morphogenetic	Bone repair								Registration inspection (2026H1)
Biosimilar													
Project Name	Product Name	Product Type	Dosage Form	Target/MoA	Indications	Pre-clinical	IND	Phase I	Phase II	Phase III	NDA	Commercialization	Next Milestone (Expected Time)
JY29-2 吉優泰® Jiyoutai			Subcutaneous injection		Metabolism (T2DM)								Pending approval for marketing ¹
JY29-2 吉可親® Jikeqin	Semaglutide	Peptide		Glucagon-like peptide-1(GLP-1) receptor agonist	Metabolism (Obesity and Overweight)								Pending approval for marketing
JY29-2 (Oral)			Tablets		Metabolism (Obesity and Overweight)								Process development
JY43	Daratumumab	Monoclonal antibody	Intravenous injection	CD38 inhibitor	Multiple myeloma								Phase I clinical trial
JY43-2	Daratumumab (with hyaluronidase)	Monoclonal antibody	Subcutaneous injection	CD38 inhibitor with hyaluronidase	Multiple myeloma								IND application (2026Q4)
JY56	Emicizumab	Bispecific antibody	Subcutaneous injection	Bridging coagulation factor IX and coagulation factor X	Hemophilia								Process development

Note: As Jiyoutai® is subject to data protection provisions under agreements with governments of other countries, the review and approval of this product is currently suspended.

BUSINESS PROSPECTS

In 2026, standing at the new stage of development following our listing on the Hong Kong Stock Exchange, we will take industrial development trends as our guide to continuously advance strategic upgrading. On the basis of maintaining the stable operation of our existing businesses, we will further strengthen our capability in original innovation and gradually build a business portfolio centered on innovative drugs and innovative biopharmaceutical-device combination products, supplemented by generic drugs.

In respect of research and development, the Company will continue to steadily advance a number of innovative pipelines. Focusing on the metabolic disease area, the Company will primarily concentrate on the layout of amylin analogs, GLP-1 related drugs and their potential combination products, while simultaneously advancing the development of innovative polypeptide drugs such as FGF21 analogs, with a view to providing more differentiated treatment solutions in the fields of diabetes, obesity and related metabolic diseases. Among them, the IND application for JY54 (long-acting amylin analog) was filed in February 2026 and has been accepted for review. JY54-2 has entered the preclinical safety evaluation stage and is expected to submit an IND application in the second half of 2026.

In the oncology and immunology sector, the Company is advancing the research and development of innovative projects including SIRP α monoclonal antibody, exploring new therapeutic approaches by regulating the functions of immune cells and the tumor immune microenvironment. JY47 (SIRP α -targeted monoclonal antibody) is currently in Phase I clinical study; JY43 (Daratumumab Injection) is also in Phase I clinical trial, while JY43-2 (Daratumumab Subcutaneous Injection) is at the preclinical development stage and is planned to submit an IND application in Q4 2026, continuously strengthening the Company's product portfolio in the hematological oncology field.

Meanwhile, the Company also continues to advance product upgrading and technological iteration in the field of orthopedic biomaterials by developing new bone repair materials containing BMP-2 and related device products, thereby further expanding its orthopedic product portfolio and clinical application scenarios. JY23 (BMP-2 – integrated pluripotent biological bone) has obtained the test reports for registration, biological testing reports and an interim animal test report, laying the foundation for subsequent registration application and industrialization. JY23-2 (injectable BMP-2 – integrated bone repair material) has met the basic product performance design requirements, and preliminary animal tests have demonstrated that the product can achieve effective osteogenesis.

In terms of global development, the Company will continue to focus on clinical value and actively implement its internationalization strategy. On the one hand, the Company will continuously advance the registration and commercialization of its core products in overseas markets, focus on emerging markets, and steadily advance access to the high-end markets in Europe and the United States. On the other hand, through diversified models such as licensing collaboration, joint registration and CDMO collaboration, the Company will continue to enhance the international market penetration and brand influence of its core products.

In the future, the Company will continue to be driven by innovation and guided by clinical needs, steadily reinforcing its existing business foundation while continuously advancing product innovation, international expansion, and industrial capability upgrading. By continuously improving its R&D system, strengthening production quality assurance, and deepening international collaboration, the Company is committed to building a biopharmaceutical enterprise with sustained innovation capabilities and international competitiveness, and achieving long-term, stable growth amid the ongoing reshaping of the global pharmaceutical industry landscape.

FINANCIAL REVIEW

Revenue

	Year ended December 31,					
	2025 RMB'000			2024 RMB'000		
	Revenue	Cost of Sales	Gross profit margin	Revenue	Cost of Sales	Gross profit margin
Sale of Goods	1,246,196	212,775	82.9%	1,298,951	247,037	81.0%
Pharmaceutical Services	60,105	39,463	34.3%	70,233	40,468	42.4%
Total	<u>1,306,301</u>	<u>252,238</u>	<u>80.7%</u>	<u>1,369,184</u>	<u>287,505</u>	<u>79.0%</u>

During the Reporting Period, our revenue was RMB1,306.3 million, representing a decrease of RMB62.9 million as compared to RMB1,369.2 million for the same period of 2024. The decrease in revenue was mainly attributable to the decrease of RMB52.8 million in revenue from sales of goods, but the gross profit margin from sales of goods increased by 1.9%, indicating that the Company's products have become more competitive.

Sale of goods

Revenue from sales of goods decreased by RMB52.8 million from RMB1,299.0 million in the year ended December 31, 2024 to RMB1,246.2 million in the year ended December 31, 2025. Our revenue generated from sales of Guyoudao[®] decreased by 5.8% from RMB844.0 million in the year ended December 31, 2024 to RMB795.2 million in the year ended December 31, 2025, primarily due to the fluctuation of tender listing prices and the impact of policies. It is worth mentioning that, driven by the efforts of the sales team, the sales volume of Guyoudao[®] in 2025 increased by 9.4% compared with 2024.

Pharmaceutical services

Revenue from pharmaceutical services remained relatively stable at RMB70.2 million in the year ended December 31, 2024 and at RMB60.1 million in the year ended December 31, 2025.

Cost of Sales

Our cost of sales decreased by 12.3% from RMB287.5 million in the year ended December 31, 2024 to RMB252.2 million in the year ended December 31, 2025, primarily due to the decrease in the price of raw materials of our products and the effective management of the age and expiry date of our inventories.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 2.6% from RMB1,081.7 million in the year ended December 31, 2024 to RMB1,054.1 million in the year ended December 31, 2025. Our gross profit margin increased from 79.0% in the year ended December 31, 2024 to 80.7% in the year ended December 31, 2025, primarily due to the decrease in raw material costs, and the cost savings brought about by lean production management.

Other Income and Gains

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Other Income		
Government grants*	14,893	16,358
Bank interest income	10,517	1,282
Others	251	6
	<hr/>	<hr/>
Total Other Income	25,661	17,646
	<hr/>	<hr/>
Gains		
Foreign exchange gains, net	221	1,080
	<hr/>	<hr/>
Total other income and gains	25,882	18,726
	<hr/>	<hr/>

Note:* Government grants have been received from the PRC local government authorities to support the subsidiaries' research and development activities. There are no unfulfilled conditions related to these government grants.

Our other income and gains increased by 38.2% from RMB18.7 million in the year ended December 31, 2024 to RMB25.9 million in the year ended December 31, 2025. For the sake of revitalizing existing funds and improving the efficiency of capital use, time deposits resulted in an increase in bank interest income of RMB9.2 million.

Selling and Marketing Expenses

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Marketing and promotion expenses	377,310	432,388
Travelling expenses	97,554	98,418
Labor costs	201,000	169,094
Others*	51,419	20,101
	<u>727,283</u>	<u>720,001</u>

*Note**: “Others” primarily comprises expenses related to offices, leases and maintenance, depreciation and amortization, and other miscellaneous expenses.

Our selling and marketing expenses remained relatively stable at RMB720.0 million in the year ended December 31, 2024 and at RMB727.3 million in the year ended December 31, 2025.

Administrative Expenses

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Labor costs	34,813	37,643
General operating expenses	13,568	14,674
Depreciation and amortization	2,062	1,735
Professional consulting fees	4,706	30,872
Others *	3,335	3,450
	<u>58,484</u>	<u>88,374</u>

*Note**: “Others” primarily comprises tax and other miscellaneous expenses.

Our administrative expenses decreased from RMB88.4 million in the year ended December 31, 2024 to RMB58.5 million in the year ended December 31, 2025, primarily due to the completion of the listing of the Company in 2024, the reduction in professional consulting fees, the optimization of internal operation management and the reduction of expenses.

Research and Development Costs

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Labor costs	47,860	45,748
Costs of materials	23,250	15,834
Depreciation and utilities	19,437	15,262
Testing and experiment costs	21,659	25,026
Outsourcing and professional consulting fees	6,101	881
Others*	5,352	6,146
	<u>123,659</u>	<u>108,897</u>

*Note**: “Others” primarily comprises repair fees, office expenses, travel and conference expenses and other miscellaneous expenses.

Our research and development costs increased from RMB108.9 million in the year ended December 31, 2024 to RMB123.7 million in the year ended December 31, 2025, and the ratio of research and development costs to revenue increased from 8.0% in 2024 to 9.5%, mainly due to an increase of RMB7.4 million in material costs, mainly attributable to the continuous advancement of research and development progress, optimization of research and development investment layout and exploration of new projects.

Other Expenses

Our other expenses decreased from RMB7.4 million in the year ended December 31, 2024 to RMB3.3 million in the year ended December 31, 2025, primarily due to the reduction in credit impairment losses, which was driven by improved collection of trade receivables and amounts due from related parties in 2025.

Finance Costs

Our finance costs decreased from RMB7.1 million in the year ended December 31, 2024 to RMB5.7 million in the year ended December 31, 2025, primarily due to a decrease of interest on bank borrowings of RMB2.6 million, which was attributable to a decrease in our loan and loan interest rate.

Income Tax Expense

Our income tax expense decreased from RMB30.0 million in the year ended December 31, 2024 to RMB23.1 million in the year ended December 31, 2025, primarily due to a decrease in taxable income as a result of an increase in research and development expenses that qualified for deduction.

Liquidity and Capital Resources

The Group maintained a sound financial position. As of December 31, 2025, we had cash and cash equivalents of RMB348.7 million and time deposits with original maturity over three months of RMB302.2 million, totaling RMB650.9 million (as of December 31, 2024: RMB537.6 million). As of December 31, 2025, we had secured bank borrowings of RMB66.7 million and unsecured bank borrowings of RMB35.9 million, which were in RMB, as compared to RMB70.6 million of secured bank borrowings and RMB49.2 million of unsecured bank borrowings as of December 31, 2024. The interest rate of our bank borrowings ranged from 2.50% to 3.60% as of December 31, 2025. As of December 31, 2025, the Group had a balance of interest-bearing bank borrowings of RMB102.6 million (as of December 31, 2024: RMB119.8 million). As of December 31, 2025, the gearing ratio of the Group (total liabilities divided by total assets) was 22.2% (as of December 31, 2024: 21.1%).

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to internal financing and external financing at reasonable market rates. In order to better control and minimize the cost of funds, the Group's treasury activities are centralized and all cash transactions are dealt with the banks with good reputation.

Most assets and liabilities of the Group were denominated in RMB, HKD, USD and Euro. Currently, the Group does not employ any financial instruments or enter into any foreign exchange contracts to hedge against foreign exchange risk. However, by closely monitoring the net exposure of foreign exchange risk, the Group managed the foreign exchange risk, thus minimizing the impact of foreign exchange fluctuations.

Charges on Group Assets

As of December 31, 2025, certain of our bank borrowings were secured by our buildings and leasehold land with carrying amounts of RMB167.4 million and nil, respectively.

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2025, the Group had a total of 1,794 full-time employees. We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises year-end bonuses, communication, transport and meal allowances, staff dormitory, paid leaves, and holiday benefits. In addition, we provide career development opportunities and promote an inventive, collaborative, and productive work environment, which we believe fosters long-lasting self-motivation for our employees.

Our employees typically enter into standard employment contracts with us. We place a high value on recruiting, training, and retaining qualified employees. We maintain high standards on selecting and recruiting talent worldwide and provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary and performance-based bonus. To maintain and enhance the quality, knowledge and skill levels of our workforce as well as their familiarity with industry quality standards and work safety standards, we provide our employees with periodic training, including orientation programs for new employees, technical training, professional and management training and health and safety training.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not have any significant investments (including any investment in an investee company with a value of five percent or more of the Group's total assets as of December 31, 2025), acquisitions or disposals.

The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

The Group did not have any future plans for material investments or capital assets as of the date of this announcement. The Company will make further announcement in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

2026 Share Award Scheme

At the Board meeting held on January 9, 2026, the Board resolved to propose the adoption of the 2026 Share Award Scheme to attract and retain eligible participants of the 2026 Share Award Scheme, and to strengthen the Company's long-term remuneration incentive strategy. An extraordinary general meeting of the Company will be held in due course to approve the adoption of the 2026 Share Award Scheme. For more details, please refer to the relevant announcements of the Company dated January 9, 2026 and March 25, 2026, and the circular of the Company dated March 9, 2026.

H Share Repurchase

During the period from January 13, 2026 to February 12, 2026 and as of the date of this announcement, the Company had repurchased a total of 3,882,400 H Shares as treasury shares on the Stock Exchange for a total consideration of HK\$40,205,376.49. The repurchase is to increase the net asset value per share and earnings per share.

Public Float

As of the date of this announcement, the public float of the Company is approximately 22.22%, which has fallen below 25.0% of the total issued share of the Company held by the public as prescribed by Rule 19A.28B of the Listing Rules. The shortfall in the public float of the Company is a result of the repurchase of H shares of the Company, which turned one of the public Shareholder into a substantial Shareholder as defined under the Listing Rules. For more details, please refer to the relevant announcements of the Company dated March 5, 2026 and March 25, 2026.

Save as disclosed above, there is no other material subsequent event after the Reporting Period and up to the date of this announcement.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing shareholders.

FINAL DIVIDEND

The Board proposed to recommend the distribution of a cash dividend of RMB0.57 (inclusive of tax) for every 10 Shares to all Shareholders based on the total share capital as of the record date for profit distribution and dividend payment. As of the date of the Board meeting considering this distribution of a final dividend, the total share capital of the Company is 241,516,400 Shares (excluding 3,882,400 treasury Shares), which is used to calculate the total proposed cash dividend RMB13,766,434.8 (inclusive of tax), accounting for approximately 9.95% of the consolidated net profit attributable to the Shareholders for 2025. The treasury Shares will not receive the recommended distribution of cash dividend.

The distribution of a final dividend will be submitted to the AGM in 2026 for consideration and approval. The payment is expected to be made on or around July 30, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the CG Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code of corporate governance practices.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the general manager should be segregated and should not be performed by the same individual. We do not have a separate chairman and general manager and Mr. Fu Hang currently performs these two roles. The Board believes that vesting the roles of both the chairman and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and three independent non-executive Directors. The Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Company has complied with all code provisions under the CG Code during the Reporting Period. In order to maintain a high standard of corporate governance, the Board will continue to review and monitor the operation of the Company.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors, Supervisors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Company has also devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors, and the Directors and Supervisors have confirmed that they have complied with the Code of Conduct during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

Material Litigation

During the Reporting Period, the Company was not engaged in any material litigation or arbitration of material importance, or the Directors were not aware of any material litigation or claim pending or threatened against the Group.

Purchase, Sale or Redemption of the Listed Securities of the Company

During the Reporting Period, neither the Company nor its subsidiary has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of December 31, 2025, the Company did not hold any treasury shares.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code and published on the website of the Hong Kong Stock Exchange accordingly. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board. As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Zhou Zhihui (周智慧), Ms. Ho Mei Yi (何美儀) and Dr. Zhou Demin (周德敏), with Mr. Zhou Zhihui serving as the chairman. Mr. Zhou Zhihui has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee had reviewed, together with the management, the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the draft consolidated financial statements and annual results of the Group for the year ended December 31, 2025.

Scope of Work for Annual Results Announcement by 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 for the year ended December 31, 2025 as set out in this announcement have been agreed by the Group's auditors to the amounts set out in the draft consolidated financial statements of the Group for the year ended December 31, 2025. The work performed by the Group's auditors 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 and consequently no assurance has been expressed by the Group's auditors in this announcement.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Monday, June 15, 2026. A notice convening the AGM will be published on the Company's website and the website of the Hong Kong Stock Exchange or dispatched to the Shareholders (if requested) in accordance with the requirements of the Listing Rules in due course.

Corporate communications will be available electronically on both the Company's website at www.china-gene.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. Actionable Corporate Communications will be sent to Shareholders individually via the email address provided by them or in printed form (if no functional email addresses are provided).

If the Shareholders want to change the means of receipt and language of corporate communications, they may send an email to hurong@china-gene.com specifying their name, address and request to receive the corporate communications in printed form. Any instructions to receive future communications in printed form will remain valid for one year from the receipt date of the Shareholder's instruction.

CLOSURE OF REGISTER OF MEMBERS

i. For attending and voting at the AGM

In order to determine the rights of H Shareholders to attend and vote at the AGM of the Company to be held on Monday, June 15, 2026, the record date will be Monday, June 15, 2026 and the register of members of H Shares will be closed from Wednesday, June 10, 2026 to Monday, June 15, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. Members whose names appear on the register of members of the Company on Monday, June 15, 2026 will be entitled to attend and vote at the AGM. In order to be eligible for attending the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, June 9, 2026.

ii. For entitlement of the proposed final dividend

In order to determine the entitlement to the proposed final dividend for the year of 2025, the record date will be Wednesday, June 24, 2026 and the register of members of H Shares will be closed from Monday, June 22, 2026 to Wednesday, June 24, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. In order to qualify for the proposed final dividend, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, June 18, 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	1,306,301	1,369,184
Cost of sales		<u>(252,238)</u>	<u>(287,505)</u>
Gross profit		1,054,063	1,081,679
Other income and gains	4	25,882	18,726
Selling and marketing expenses		(727,283)	(720,001)
Administrative expenses		(58,484)	(88,374)
Research and development costs		(123,659)	(108,897)
Other expenses		(3,334)	(7,360)
Finance costs	6	<u>(5,661)</u>	<u>(7,145)</u>
PROFIT BEFORE TAX	5	161,524	168,628
Income tax expense	7	<u>(23,117)</u>	<u>(30,027)</u>
PROFIT FOR THE YEAR		<u>138,407</u>	<u>138,601</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>138,407</u>	<u>138,601</u>
Profit attributable to: Owners of the parent		<u>138,407</u>	<u>138,601</u>
Total comprehensive income attributable to: Owners of the parent		<u>138,407</u>	<u>138,601</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	9	<u>0.56</u>	<u>0.68</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		340,926	352,977
Right-of-use assets		58,909	1,254
Intangible assets	<i>10</i>	208,498	157,816
Prepayments, other receivables and other assets		26,478	1,001
		<hr/>	<hr/>
Total non-current assets		634,811	513,048
CURRENT ASSETS			
Inventories		155,461	149,123
Trade and bills receivables	<i>11</i>	644,075	672,178
Prepayments, other receivables and other assets		11,450	13,650
Due from related parties		21,317	37,374
Restricted bank deposits	<i>12</i>	20	20
Time deposits with original maturity over three months	<i>12</i>	302,167	–
Cash and cash equivalents	<i>12</i>	348,671	537,629
		<hr/>	<hr/>
Total current assets		1,483,161	1,409,974
CURRENT LIABILITIES			
Trade payables	<i>13</i>	48,377	27,000
Lease liabilities		3,450	937
Other payables and accruals		206,601	196,098
Due to related parties		700	644
Interest-bearing bank borrowings		45,493	81,014
Contract liabilities		20,635	21,626
Tax payable		7,135	14,366
		<hr/>	<hr/>
Total current liabilities		332,391	341,685
NET CURRENT ASSETS		<hr/> 1,150,770	<hr/> 1,068,289
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,785,581	<hr/> 1,581,337

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES		
Lease liabilities	55,616	–
Interest-bearing bank borrowings	57,060	38,769
Other payables and accruals	9,196	8,056
Deferred tax liabilities	15,479	16,501
	<hr/>	<hr/>
Total non-current liabilities	137,351	63,326
	<hr/>	<hr/>
Net assets	1,648,230	1,518,011
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	245,399	245,399
Reserves	1,402,831	1,272,612
	<hr/>	<hr/>
Total equity	1,648,230	1,518,011
	<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a limited company established in the People's Republic of China (the "PRC") on 31 December 1993. The registered office of the Company is located at No.23, Eighth Street, Baiyang Street, Qiantang District, Hangzhou, Zhejiang Province, PRC. On 5 December 2023, the Company was converted into a joint stock limited liability company and the registered capital of the Company was RMB200,000,000, which was divided into 200,000,000 shares, with a nominal value of RMB1.00 each. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 November 2024.

During the year, the Company and its subsidiary were principally engaged in the research and development, manufacture and commercialisation of biopharmaceutical products.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA 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 other comprehensive income which have been measured at fair value. These financial statements are presented in 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 subsidiary (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 subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiary 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 and any non-controlling interest; 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 amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 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 were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS 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 considered the guidance in these illustrative examples and there is no impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

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

The Group is in the process of making an assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. So far, the Group considers that new and amended HKFRS Accounting Standards are unlikely to have a significant impact on the Group's financial performance and financial position.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income 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 HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation and disclosures of the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and has only one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) *Revenue from external customers*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	1,260,832	1,315,886
Other countries/regions	45,469	53,298
Total revenue	<u>1,306,301</u>	<u>1,369,184</u>

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	<u>634,811</u>	<u>513,048</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue from the major customer (aggregated if under common control) which amounted to 10% or more of the Group's revenue is set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	<u>330,091</u>	<u>319,185</u>

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>1,306,301</u>	<u>1,369,184</u>

(a) **Disaggregated revenue information**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Sale of goods	1,246,196	1,298,951
Pharmaceutical services	60,105	70,233
Total	1,306,301	1,369,184
Geographical markets		
Chinese mainland	1,260,832	1,315,886
Other countries/regions	45,469	53,298
Total	1,306,301	1,369,184
Timing of revenue recognition		
Transferred at a point in time	1,306,301	1,369,184
Total	1,306,301	1,369,184

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	19,756	14,009
Pharmaceutical services	1,845	–
Total	21,601	14,009

(b) **Performance obligations**

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

(i) ***Sale of goods***

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from the date of billing, with longer payment term of drug-device combination product.

(ii) **Pharmaceutical services**

Preclinical drug development services

The performance obligation is satisfied over time or at the point when services are rendered and payment is generally due within 10 days from the date of billing.

Technology transfer

The performance obligation is satisfied upon the transfer of technology and payment is generally due within 15 days from the date of transfer.

Outsourcing manufacturing services

The performance obligation is satisfied at the point when services are rendered, where payment in advance is normally required.

As all the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year or less, the Group doesn't need to disclose the information about its remaining performance obligations.

An analysis of other income and gains is as follows:

	2025	2024
	RMB'000	RMB'000
Other income		
Government grants*	14,893	16,358
Bank interest income	10,517	1,282
Others	251	6
	<hr/>	<hr/>
Total other income	25,661	17,646
	<hr/>	<hr/>
Gains		
Foreign exchange gains, net	221	1,080
	<hr/>	<hr/>
Total other income and gains	25,882	18,726
	<hr/>	<hr/>

* Government grants have been received from the PRC local government authorities, mainly to support the Company's research and development activities. There are no unfulfilled conditions related to these government grants.

5. PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Cost of inventories sold		212,775	247,037
Cost of services provided		39,463	40,468
		252,238	287,505
Research and development costs		123,659	108,897
Depreciation of property, plant and equipment*		36,940	35,388
Depreciation of right-of-use assets		969	836
Amortisation of intangible assets**	<i>10</i>	6,662	715
Loss on disposal of items of property, plant and equipment		66	271
Write-down of inventories to net realisable value		648	9,303
Impairment losses on financial assets, net		2,825	6,499
Lease payments not included in the measurement of lease liabilities		1,873	1,634
Foreign exchange differences, net	<i>4</i>	(221)	(1,080)
Auditor's remuneration		2,380	2,280
Listing expenses		–	24,008
Bank interest income	<i>4</i>	(10,517)	(1,282)
Government grants	<i>4</i>	(14,893)	(16,358)
Employee benefit expense (including directors', supervisors' and chief executive's remuneration):			
Salaries and other benefits		351,917	326,406
Equity-settled share award expense***		5,546	5,299
Pension scheme contributions		27,783	23,039
		385,246	354,744

* The depreciation of property, plant and equipment is included in "Cost of sales", "Administrative expenses", "Research and development costs" and "Selling and marketing expenses" in the consolidated statement of profit or loss and other comprehensive income.

** The amortisation of intangible assets is included in "Selling and marketing expenses", "Administrative expenses" and "Research and development costs" in the consolidated statement of profit or loss and other comprehensive income.

*** Equity-settled share award expense is included in "Cost of sales", "Administrative expenses", "Research and development costs" and "Selling and marketing expenses" in the consolidated statement of profit or loss and other comprehensive income.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank borrowings	4,473	7,073
Interest on lease liabilities	1,188	72
Total	5,661	7,145

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which member of the Group is domiciled and operated.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and the Implementation Regulation of the EIT Law, the EIT rate for the PRC subsidiary was 25% during the year. The Company was accredited as a “High and New Technology Enterprise” (“HNTE”) in 2021 and the certificate was extended in December 2023. Therefore, the Company was entitled to a preferential EIT rate of 15% during the year. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

The income tax charge of the Group for the year is analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax – Chinese mainland		
Charge for the year	24,139	33,087
Deferred tax	(1,022)	(3,060)
Total tax charge	23,117	30,027

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	161,524	168,628
Tax at the statutory tax rate of 25%	40,381	42,157
Lower tax rate for specific provinces or enacted by local authority	(16,152)	(16,863)
Expenses not deductible for tax	12,008	13,234
Additional deductible allowance for research and development costs	(13,661)	(10,375)
Adjustments in respect of current tax of previous periods	541	1,874
Tax charge at the Group’s effective tax rate	23,117	30,027

8. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final – RMB0.057 (2024: RMB0.056) per ordinary share	<u>13,766</u>	<u>13,742</u>

The proposed final dividend for the year 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, and the weighted average number of ordinary shares of 245,398,800 (2024: 204,228,929) outstanding during the year.

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.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

The calculation of basic earnings per share is based on:

	2025	2024
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	<u>138,407</u>	<u>138,601</u>
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u>245,398,800</u>	<u>204,228,929</u>
Earnings per share (RMB per share)	<u>0.56</u>	<u>0.68</u>

10. INTANGIBLE ASSETS

31 December 2025	Software RMB'000	Patents and licences RMB'000	Trademark RMB'000	Deferred development costs RMB'000	Total RMB'000
At 1 January 2025:					
Cost	5,397	32,086	124	156,893	194,500
Accumulated amortisation	(4,474)	(32,086)	(124)	–	(36,684)
Net carrying amount	<u>923</u>	<u>–</u>	<u>–</u>	<u>156,893</u>	<u>157,816</u>
At 1 January 2025, net of accumulated amortisation	923	–	–	156,893	157,816
Additions	99	–	–	57,245	57,344
Amortisation provided during the year (note 5)	(886)	–	–	(5,776)	(6,662)
At 31 December 2025, net of accumulated amortisation	<u>136</u>	<u>–</u>	<u>–</u>	<u>208,362</u>	<u>208,498</u>
At 31 December 2025:					
Cost	5,496	32,086	124	214,138	251,844
Accumulated amortisation	(5,360)	(32,086)	(124)	(5,776)	(43,346)
Net carrying amount	<u>136</u>	<u>–</u>	<u>–</u>	<u>208,362</u>	<u>208,498</u>
31 December 2024	Software RMB'000	Patents and licences RMB'000	Trademark RMB'000	Deferred development costs RMB'000	Total RMB'000
At 1 January 2024:					
Cost	4,808	32,086	124	90,298	127,316
Accumulated amortisation	(3,759)	(32,086)	(124)	–	(35,969)
Net carrying amount	<u>1,049</u>	<u>–</u>	<u>–</u>	<u>90,298</u>	<u>91,347</u>
At 1 January 2024, net of accumulated amortisation	1,049	–	–	90,298	91,347
Additions	589	–	–	66,595	67,184
Amortisation provided during the year (note 5)	(715)	–	–	–	(715)
At 31 December 2024, net of accumulated amortisation	<u>923</u>	<u>–</u>	<u>–</u>	<u>156,893</u>	<u>157,816</u>
At 31 December 2024:					
Cost	5,397	32,086	124	156,893	194,500
Accumulated amortisation	(4,474)	(32,086)	(124)	–	(36,684)
Net carrying amount	<u>923</u>	<u>–</u>	<u>–</u>	<u>156,893</u>	<u>157,816</u>

11. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	571,058	594,344
Bills receivable	21,133	11,422
Financial assets at fair value through other comprehensive income	63,627	73,754
Impairment	<u>(11,743)</u>	<u>(7,342)</u>
Net carrying amount	<u>644,075</u>	<u>672,178</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	576,634	628,980
1 to 2 years	61,428	40,455
2 to 3 years	5,266	2,511
Over 3 years	<u>747</u>	<u>232</u>
Total	<u>644,075</u>	<u>672,178</u>

12. CASH AND CASH EQUIVALENTS, TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS AND RESTRICTED BANK DEPOSITS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	650,858	537,649
Less: Time deposits with original maturity over three months*	(302,167)	–
Restricted bank deposits	<u>(20)</u>	<u>(20)</u>
Cash and cash equivalents	<u>348,671</u>	<u>537,629</u>
Denominated in:		
RMB	552,792	43,505
Hong Kong dollar (“HK\$”)	90,878	493,731
United States dollar (“US\$”)	6,815	45
Euro (“EUR”)	<u>373</u>	<u>368</u>
Total	<u>650,858</u>	<u>537,649</u>

* The original maturity of the time deposits was more than three months but less than one year.

13. TRADE PAYABLES

An ageing analysis of the trade payables based on the invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	48,343	26,988
Over 1 year	<u>34</u>	<u>12</u>
Total	<u>48,377</u>	<u>27,000</u>

The trade payables are non-interest-bearing and are normally settled within 60 days.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the Company’s website (www.china-gene.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The 2025 annual report of the Company containing all relevant information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the afore-mentioned websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

“Actionable Corporate Communications”	any corporate communication that seeks instructions from the Shareholders on how they wish to exercise their rights or make an election as the Shareholders
“AGM”	the annual general meeting of the Company to be held on June 15, 2026
“ANVISA”	Agência Nacional de Vigilância Sanitária, the National Health Surveillance Agency of Brazil
“Articles of Association”	the articles of association of the Company, as amended from time to time
“ASEAN”	the Association of Southeast Asian Nations
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“CDE”	Center for Drug Evaluation of the NMPA
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

“China or the PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to ‘China’ and the ‘PRC’ do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company,” or “the Company”	Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (杭州九源基因生物醫藥股份有限公司) (previously known as Hangzhou Jiuyuan Gene Engineering Co., Ltd. (杭州九源基因工程股份有限公司)), a limited liability company established under the laws of the PRC on December 31, 1993 and converted into a joint stock company with limited liability on December 5, 2023
“Corresponding Period”	for the year ended December 31, 2024
“Director(s)”	the director(s) of our Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi by domestic investors and are not listed or traded on any stock exchange
“Group,” “our Group,” “we,” “us,” or “our”	the Company and its subsidiary from time to time
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited

“IND”	investigational new drug, an application and approval process required before drug candidates may commence clinical trials
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NMPA”	National Medical Products Administration
“Reporting Period”	the year ended December 31, 2025
“RMB” or “Renminbi”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Supervisor(s)”	member(s) of the supervisory committee of the Company
“treasury shares”	has the meaning as defined under the Listing Rules
“Unlisted Foreign Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each which is/are subscribed for and paid for in currency other than RMB by foreign investors and not listed on any stock exchange
“Unlisted Shares”	Domestic Shares and Unlisted Foreign Shares

“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollar” or “US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd.
 杭州九源基因生物醫藥股份有限公司
FU Hang
*Executive Director, Chairman of the Board and
 General Manager*

Hangzhou, the PRC, March 30, 2026

As at the date of this announcement, the Board comprises (i) Mr. Fu Hang (傅航) and Mr. Zhou Wei (周偉) as executive directors; (ii) Mr. Wu Shihang (吳詩航), Mr. Albert Esteve Cruella, Mr. Fei Junjie (費俊傑) and Ms. Yan Weiting (嚴瑋婷) as non-executive directors; and (iii) Mr. Zhou Zhihui (周智慧), Ms. Ho Mei Yi (何美儀) and Dr. Zhou Demin (周德敏) as independent non-executive directors.