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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)

(I) PROPOSED CHANGES IN USE OF PROCEEDS AND

(II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board (the “**Board**”) of directors (the “**Directors**”) of Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (the “**Company**”) resolved to (i) reallocate an aggregate of approximately RMB118.68 million of the unutilized net proceeds from the global offering (the “**Global Offering**”) of the Company (the “**Proposed Changes in Use of Proceeds**”); and (ii) make the amendments to the articles of association of the Company (the “**Articles of Association**”) to reflect the proposed changes in the Company’s business scope and the changes in the Company’s equity structure following the completion of the H Share Full Circulation (the “**Proposed Amendments to the Articles of Association**”).

References are made to (i) the prospectus of Company dated November 20, 2024 (the “**Prospectus**”) in relation to the Global Offering; (ii) the annual report of the Company for the year ended December 31, 2025 in relation to, among others, the planned applications and actual usage of the use of proceeds from the Global Offering as of December 31, 2025; (iii) the circular of the Company dated December 2, 2025 in relation to the H Share Full Circulation (the “**Circular**”); and (iv) the announcement of the completion of the H Share Full Circulation dated May 14, 2026 (the “**Announcement**”). Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings as those defined in the Circular and Announcement.

I. PROPOSED CHANGES IN USE OF PROCEEDS

Details of the Proposed Changes in Use of Proceeds

The net proceeds from the Global Offering (after deducting the underwriting fees and related listing expenses) amounted to approximately HK\$478.66 million (equivalent to RMB442.28 million) (the “**Net Proceeds**”). As of June 30, 2026, approximately RMB122.01 million in aggregate had been utilized, and the balance of unutilized Net Proceeds was approximately RMB320.27 million.

As shown below, part of the Net Proceeds remains unutilized due to changes in the progress of the relevant projects and the Company's funding arrangements. The Board has resolved to reallocate an aggregate of approximately RMB118.68 million of the unutilized Net Proceeds, being the sum of (i) RMB95.47 million reallocated to the continued research and development of JY57 and JY54; and (ii) RMB23.22 million reallocated to production line renovation.

The breakdown of the Net Proceeds before and after the Proposed Changes in Use of Proceeds is as follows:

Use of Net Proceeds	Original Allocation Amount (HK\$ in million)	Original Allocation Amount (RMB in million) ⁽¹⁾	Amount Unutilized Before Reallocation (RMB in million)	Amount Unutilized After Reallocation (RMB in million)	Reallocation Amount (RMB in million)	Updated Timeframe
For continued research and development of our selected product candidates in our strategically focused therapeutic areas	192.57	177.93	128.13	147.21	19.08	December 2029
For continued research and development of our selected metabolic disease product candidates that are currently at preclinical stage, pending the initiation of clinical trials, or pending NDA	99.85	92.26	57.61	100.66	43.05	December 2029
– JY29-2 (Jiyoutai 吉優泰®)	12.92	11.94	10.45	–	(10.45)	/
– JY29-2 (Jikeqin 吉可親®)	38.77	35.83	21.26	–	(21.26)	/
– JY29-2 (oral)	25.18	23.26	22.70	2.00	(20.70)	December 2029
– JY57	–	–	–	33.97	33.97	December 2029
– JY54	22.98	21.23	3.19	64.69	61.50	December 2029
For continued research and development of our selected orthopedic product candidates that are currently at preclinical stage	43.56	40.25	31.53	31.53	–	December 2029
– JY23	29.68	27.42	18.73	18.73	–	December 2029
– JY41	13.88	12.83	12.80	12.80	–	December 2029
For continued research and development of our selected oncology product candidates that are currently at preclinical stage or pending the initiation of clinical trials	49.16	45.42	38.99	15.03	(23.97)	December 2029
– JY47	26.57	24.55	23.97	–	(23.97)	/
– JY43-2	22.59	20.88	15.03	15.03	–	December 2029

Use of Net Proceeds	Original Allocation Amount (HK\$ in million)	Original Allocation Amount (RMB in million) ⁽¹⁾	Amount Unutilized Before Reallocation (RMB in million)	Amount Unutilized After Reallocation (RMB in million)	Reallocation Amount (RMB in million)	Updated Timeframe
For marketing and commercialization of our existing and near-commercialized products	143.07	132.20	100.32	100.32	–	December 2029
For expansion of our sales and marketing team	119.23	110.17	83.28	83.28	–	December 2029
For intensifying market publicity and development of our marketed product	23.84	22.02	17.03	17.03	–	December 2029
For strategic collaboration to enrich our product portfolio in our targeted therapeutic areas	47.67	44.05	44.05	44.05	–	December 2029
For our manufacturing system to construct new production lines, and to upgrade and further automate our existing production facilities to prepare for the potential increase in demand for our products and the launch of new products	47.67	44.05	42.30	23.22	(19.08)	December 2029
For new cell line preparation workshop for JY47 and JY43-2	34.46	31.84	31.21	–	(31.21)	/
For JY29-2 APIs production line	7.18	6.63	5.51	–	(5.51)	/
For new external packaging production line for JY29-2	2.87	2.65	2.65	–	(2.65)	/
For new Pilot Workshop for JY23	1.91	1.77	1.77	–	(1.77)	/
For renovation of Yinuojia Filling Machine	0.96	0.88	0.88	–	(0.88)	/
For new Internal Packaging Production Line for Guyoudao	0.24	0.22	0.22	–	(0.22)	/
For installation of Jijufen Batch Scale-up Equipment	0.05	0.04	0.04	–	(0.04)	/
For JG-23 B product capacity expansion and medical device center relocation	–	–	–	2.40	2.40	December 2029

Use of Net Proceeds	Original Allocation Amount (HK\$ in million)	Original Allocation Amount (RMB in million) ⁽¹⁾	Amount Unutilized Before Reallocation (RMB in million)	Amount Unutilized After Reallocation (RMB in million)	Reallocation Amount (RMB in million)	Updated Timeframe
For new process and new workshop construction for semaglutide APIs for JG-27	–	–	–	2.82	2.82	December 2029
For semaglutide equipment renovation	–	–	–	18.00	18.00	December 2029
For working capital and other general corporate purposes	47.67	44.05	5.47	5.47	–	December 2029
Total	478.66	442.28	320.27	320.27		

Note:

- (1) The Net Proceeds were received in HKD and translated to RMB at the rate of HKD1.00 to RMB0.924 quoted by the People's Bank of China for foreign exchange transactions prevailing on November 28, 2024.

Reasons for the Proposed Changes in Use of Proceeds

The proposed use of the Net Proceeds as disclosed in the Prospectus was prepared based on the Company's estimates of the market conditions as of the date of the Prospectus. The Board continuously reviews the use of the unutilized Net Proceeds and, where appropriate, considers adjusting the allocation to ensure the most effective use of the Net Proceeds. After taking into account the Company's current financial position and business plans, the Board has resolved to adjust the use of the unutilized Net Proceeds as follows:

- The balance of the Net Proceeds originally allocated to the “continued research and development of our selected product candidates in strategically focused therapeutic areas” is approximately RMB76.39 million. As JY29-2 is approaching the NDA approval, a limited amount of additional funding is expected to be required for such project. In addition, following the Company's internal assessment, the development of JY47 has been put on hold in order to optimize the allocation of the Company's research and development resources, taking into account factors including the market prospects, development progress and expected resource requirements of its product pipelines. As metabolic diseases remain one of the Company's key strategic therapeutic areas, JY54 (for diabetes and weight management) and JY57 (for metabolic dysfunction-associated steatohepatitis) are important product candidates in the Company's pipeline. The Company expects these product candidates to require additional funding to support their continued development and accelerate the progress of their clinical development, with a view to further strengthen the Company's product pipeline in the metabolic disease therapeutic

area. Accordingly, it is proposed that RMB95.47 million out of the Net Proceeds (being the aggregation of the above RMB76.39 million and RMB19.08 million as described below) be reallocated to JY54 and JY57 to better align the use of the Net Proceeds with the Company's current development strategy, project progress and funding needs.

- The balance of the Net Proceeds originally allocated to the “manufacturing system to construct new production lines, and to upgrade and further automate our existing production facilities to prepare for the potential increase in demand for our products and the launch of new products” is approximately RMB42.30 million. As the originally planned production lines and renovation projects have already been financed using the Company's own funds, the relevant Net Proceeds are no longer required for such purposes. Meanwhile, in light of the Company's evolving production needs, the Company's existing production capacity for Guyoudao® and semaglutide active pharmaceutical ingredients may not satisfy the anticipated market demand over the next several years. The Company commenced the relevant capacity expansion projects in 2024 and has been progressing as planned, which are expected to require additional funding. Accordingly, it is proposed that RMB23.22 million out of the relevant Net Proceeds be reallocated to the expansion of the JG-23 B production facilities and relocation of the medical device center, the construction of new production facilities for JG-27 semaglutide active pharmaceutical ingredients, and the upgrading of semaglutide production equipment, in order to support the continued implementation of these projects and further enhance the Company's production capacity. The remaining RMB 19.08 million will be reallocated to JY54 and JY57.

Based on the progress schedules of the respective projects, the expected timelines for the utilization of the remaining unutilized Net Proceeds have all been extended to December 2029. Apart from the above changes, there are no other changes to the use of the unutilized Net Proceeds.

The Proposed Changes in Use of Proceeds is based on a prudent assessment of the Company's actual operating conditions and funding needs, and will help optimize resource allocation and enhance the efficiency of the use of the Net Proceeds. The Board considers that the Proposed Changes in Use of Proceeds will not have any material adverse impact on the Company's existing business and operations and is in the best interests of the Company and its Shareholders as a whole.

The Proposed Changes in Use of Proceeds is subject to the approval of the Shareholders by way of an ordinary resolution at the extraordinary general meeting (the “EGM”).

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

To reflect the proposed changes in business scope and the changes in the Company's equity structure following the completion of the H Share Full Circulation, the Board proposed to make the Proposed Amendments to the Articles of Association, details of which are set out below.

Articles of Association Before the Amendment	Articles of Association After the Amendment
Article 16 The scope of business of the Company, as registered in accordance with the laws, covers: Licensed items: Pharmaceutical production (excluding the application of the concocting technology such as steaming, frying, roasting and calcining of Chinese medicine tablets and the production of confidential prescription products of proprietary Chinese medicines); the operation of Class III medical devices; import and export of pharmaceutical products; road freight transport (excluding dangerous goods); manufacturing of pharmaceutical excipients; sales of pharmaceutical excipients (For items that require approval in accordance with the law, business activities may only be carried out after approval by relevant departments. The specific business items are subject to the result of the approval). General items: Sales of Class I medical devices; sales of Class II medical devices; technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; property management; import and export of goods; health consulting services (excluding diagnosis and treatment services); (Except for those items which are subject to approval in accordance with the law, business activities are to be carried out independently in accordance with the law on the basis of the business licence); sales of additive manufacturing equipment. The following items are restricted to be operated by branches only: Licensed items: The production of Class III medical devices (For items that require approval in accordance with the law, business activities may only be carried out after approval by relevant departments. The specific business items are subject to the result of the approval). The Company may adjust its scope of business in accordance with changes in domestic and overseas markets, business development and its own capabilities, and shall complete the relevant business registration procedures for changes in accordance with the requirements.	Article 16 The scope of business of the Company, as registered in accordance with the laws, covers: Licensed items: Pharmaceutical production (excluding the application of the concocting technology such as steaming, frying, roasting and calcining of Chinese medicine tablets and the production of confidential prescription products of proprietary Chinese medicines); the operation of Class III medical devices; import and export of pharmaceutical products; road freight transport (excluding dangerous goods); manufacturing of pharmaceutical excipients; sales of pharmaceutical excipients (For items that require approval in accordance with the law, business activities may only be carried out after approval by relevant departments. The specific business items are subject to the result of the approval); <u>food sales, food sales (pre-packaged food only), online food sales (pre-packaged food only)</u>; General items: Sales of Class I medical devices; sales of Class II medical devices; technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; property management; import and export of goods; health consulting services (excluding diagnosis and treatment services); (Except for those items which are subject to approval in accordance with the law, business activities are to be carried out independently in accordance with the law on the basis of the business licence); sales of additive manufacturing equipment. The following items are restricted to be operated by branches only: Licensed items: The production of Class III medical devices (For items that require approval in accordance with the law, business activities may only be carried out after approval by relevant departments. The specific business items are subject to the result of the approval). The Company may adjust its scope of business in accordance with changes in domestic and overseas markets, business development and its own capabilities, and shall complete the relevant business registration procedures for changes in accordance with the requirements.

Articles of Association Before the Amendment	Articles of Association After the Amendment
Article 20 The Company's current equity structure: 245,398,800 ordinary shares, of which 105,302,015 shares are held by domestic shareholders, 31,000,000 shares are held by overseas unlisted foreign shareholders and are 109,096,785 shares held by holders of H Shares.	Article 20 The Company's current equity structure: 245,398,800 ordinary shares, of which <u>245,398,800 shares are</u> held by holders of H Shares.

The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the EGM.

III. GENERAL

The EGM will be convened to consider and, if thought fit, approve (i) the Proposed Changes in Use of Proceeds and (ii) the Proposed Amendments to the Articles of Association. A circular of the Company containing further details of (i) the Proposed Changes in Use of Proceeds and (ii) the Proposed Amendments to the Articles of Association, and a notice convening the EGM and a form of proxy will be dispatched to the Shareholders (if requested) and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.china-gene.com) as soon as practicable.

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, August 19, 2026

As of 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; (iii) Mr. Zhou Zhihui (周智慧), Ms. Ho Mei Yi (何美儀), Dr. Zhou Demin (周德敏) and Dr. Huang Wenli (黃文禮) as independent non-executive directors; and (iv) Mr. Xu Feihu (徐飛虎) as an employee representative director.