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Grand Pharmaceutical Group Limited

遠大醫藥集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00512)

PROFIT WARNING

This announcement is made by Grand Pharmaceutical Group Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on the information currently available to the Company and the preliminary review by the management of the Company of the unaudited management accounts of the Group for the year ended 31 December 2025, it is expected that the profit attributable to owners of the Company for the year ended 31 December 2025 will be between HK\$1.20 billion and HK\$1.25 billion, as compared to the audited profit attributable to owners of the Company of approximately HK\$2.47 billion for the year ended 31 December 2024. It is expected that the adjusted operating net profit attributable to owners of the Company¹ for the year ended 31 December 2025 will be between HK\$1.45 billion and HK\$1.50 billion, as compared to the audited adjusted operating net profit attributable to owners of the Company of approximately HK\$1.76 billion for the year ended 31 December 2024.

The Board considers that the decrease in profit attributable to owners of the Company during the reporting period was mainly attributable to the following reasons:

- (1) during the year ended 31 December 2025, the equity investments of the Group listed outside Hong Kong recorded a fair value loss of approximately HK\$330 million (2024: fair value gain of approximately HK\$680 million). Such fluctuation was primarily driven by the changes in the fair value of the investment in Telix Pharmaceuticals Limited (ASX: TLX, NASDAQ: TLX, "Telix"). In 2020, the Group invested approximately AUD35.40 million (equivalent to approximately HK\$202 million) in Telix to acquire approximately 20.95

¹ Adjusted operating net profit attributable to owners of the Company is defined as the profit attributable to owners of the Company excluding the impact of changes in fair value and disposal gains from the investment in Telix.

million of its shares. Up to 31 December 2025, the Group had disposed of approximately 15.00 million shares of Telix, generating cumulative cash proceeds of approximately AUD214.72 million (equivalent to approximately HK\$1.093 billion). As at 31 December 2025, the Group hold 6 million shares of Telix with a fair value of approximately AUD67.20 million (equivalent to approximately HK\$350 million);

- (2) affected by the price reductions of certain products of the Group under the centralized procurement² of drugs, the gross profits from sales of these products decreased by over HK\$600 million as compared with the corresponding period of last year. \$600 million as compared with the corresponding period of last year. In order to digest the impact of the price reductions under centralized procurement, the Group vigorously promoted its core innovative barrier products. The marketing and promotion-related expenses for the current year increased by over HK\$500 million as compared with the corresponding period of last year, primarily due to the Group's proactive increase in strategic marketing investments to fully support the academic promotion and commercial expansion of its core innovative products, and to continuously build a professional, academic, and high-end marketing system. At present, the phased impact of the price reductions under centralized procurement on the Group has been fully cleared, and both the annual revenue and gross profit of the Group have increased as compared with last year. Relying on the continuous improvement and rapid strategic layout of the Group's product pipeline in recent years, the aforementioned adverse impacts have been fully digested; although such strategic investments have a phased impact on the profit for the period attributable to owners of the Company, they have efficiently consolidated the market foundation for products with core competitive barriers and accelerated the commercialization process of the products, which is expected to lay a solid foundation and provide strong momentum for the sustained growth of the Group's medium-to-long-term operating performance.

The Board considers that the aforementioned factors affecting the Company's results for the year ended 31 December 2025 are all phased factors, which will not change the fundamentals of the Group's principal business and its core operating capabilities. Based on the information currently available to the Company and the preliminary review by the management of the Company of the unaudited management accounts of the Group for the year ended 31 December 2025, it is expected that the revenue for the year ended 31 December 2025 will range from HK\$12.0 billion to HK\$12.5 billion, as compared to the audited revenue of the Company of approximately HK\$11.64 billion for the corresponding period in 2024, demonstrating strong resilience in its core operating quality. During the reporting period, the transformation and upgrading of the Group's product mix achieved milestone results. The proportion of revenue from products with innovative barriers achieved a historic breakthrough, increasing to approximately 50% for the first time; in particular, the core products in the radiopharmaceutical oncology diagnosis and treatment segment continued to ramp up in volume, with revenue maintaining rapid year-on-year growth. This fully validates the forward-looking nature of the Group's strategic layout and further builds a solid core support and strong momentum for its long-term, high-quality development.

² Products with price reductions under centralized procurement are defined as the products that were included in the tenth batch of national centralized procurement and the centralized procurement by the alliance for shortage and emergency rescue drugs by the national alliance for Chinese patent medicines.

The information contained in this announcement is only based on a preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2025 and the preliminary assessment by the Board based on the information currently available, which have not been reviewed by the auditors or the audit committee of the Company. The consolidated financial results of the Group for the year ended 31 December 2025 have not yet been finalized and may be subject to adjustments. The annual results of the Group for the year ended 31 December 2025 are expected to be published on 26 March 2026.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

Note: The English transliteration of the Chinese name(s) in this announcement is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

By order of the Board
Grand Pharmaceutical Group Limited
Chairman
Dr. Tang Weikun

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises four executive directors, namely, Dr. Tang Weikun, Mr. Zhou Chao, Mr. Yang Guang and Ms. Lam Chit Yee Jessica, and four independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Xing Li Na, Dr. Pei Geng and Mr. Hu Yebi.

** For identification purpose only*