ESSEX BIO-TECHNOLOGY LIMITED
億勝生物科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1061)

PROFIT WARNING

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

References are made to the Company's annual results announcement dated 23 March 2026 and annual report for the year ended 31 December 2025. The new value-added tax ("**VAT**") law in the People's Republic of China (the "**PRC**"), which was announced on 30 January 2026 and effective retrospectively from 1 January 2026, alters the tax treatment for pharmaceutical wholesale enterprises selling ordinary biological products. Previously, these enterprises could choose a simplified tax rate of 3% but now face the standard tax rate of 13%, aligning with other pharmaceuticals. This change has impact on the Group's biologics business, particularly Beifushu® and Beifuji® series. This is because the Group cannot pass on the VAT increase to final customers since selling prices inclusive of VAT are fixed under the PRC's centralised procurement system and turnover is reported net of VAT.

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 a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 (the "**2026 Interim Period**"), the Group expects a decrease in revenue and profit by approximately 10% and 30%, respectively, as compared to the Group's revenue of approximately HK$876.5 million and profit of approximately HK$163.4 million for the corresponding period in 2025, which was primarily due to an increase in VAT incurred by the Group following the implementation of the new VAT law in the PRC.

Despite the foregoing, the Group maintains a healthy cash flow and financial position to meet its business needs. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$807 million.

The Group's financial results and performance for the 2026 Interim Period have not been finalised yet and may be affected by, among others, the impact of fair value changes in respect of certain assets of the Group. Therefore, the actual financial results of the Group for the 2026 Interim Period may differ from the information contained in this announcement.

The information contained in this announcement is based on the Board's preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for the 2026 Interim Period and the information currently available to the management of the Group, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. Shareholders and potential investors are advised to refer to the announcement of the Company for the results for the 2026 Interim Period, which is expected to be published in August 2026 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Essex Bio-Technology Limited
Ngiam Mia Je Patrick
Chairman

Hong Kong, 17 July 2026

Executive directors of the Company as at the date of this announcement are Mr. Ngiam Mia Je Patrick, Mr. Fang Haizhou, Mr. Ngiam Hian Leng Malcolm and Ms. Yau Lai Man. Independent non-executive directors of the Company as at the date of this announcement are Mr. Fung Chi Ying, Ms. Yeow Mee Mooi and Mr. Yan Man Sing Frankie.