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Application Proof of

Beijing Sinotau International Pharmaceutical Technology Co., Ltd.
北京先通國際醫藥科技股份有限公司

(the "**Company**")

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

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Sinotau 先通医药

Beijing Sinotau International Pharmaceutical Technology Co., Ltd.
北京先通國際醫藥科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED]**
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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your **[REDACTED]** *decision. There are risks associated with any* **[REDACTED]**. ***In particular, we are a biotechnology company seeking a* [REDACTED] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules****. Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a front-runner and leader in the radiopharmaceutical market in China dedicated to the development and commercialization of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class. According to CIC, we are the first in China to (i) obtain marketing approval for an innovative radiopharmaceutical; (ii) obtain manufacturing approval for an innovative radiopharmaceutical as a marketing authorization holder ("**MAH**"); and (iii) complete a registrational clinical trial for a therapeutic radioligand with a new drug application ("**NDA**") accepted by the National Medical Products Administration of the PRC ("**NMPA**").

Our pipeline is strategically structured with a complementary mix of diagnostic and therapeutic radioligands, encompassing both validated and emerging targets and radionuclides. We believe such a staggered pipeline balances development risk with continuous innovation, enabling our commercialized assets to support the advancement of our early-stage candidates.

Focused on three areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases, our pipeline comprised 15 assets as of the Latest Practicable Date, including four Core Products, namely, XTR008, XTR006, XTR004 and XTR003. XTR008 is a registrational-stage ^{177}Lu-labeled somatostatin receptor ("**SSTR**")-targeted radioligand for the treatment of neuroendocrine neoplasms ("**NENs**"). XTR006 is a potential best-in-class, ^{18}F-labeled tubulin associated unit ("**tau**")-targeted positron emission tomography ("**PET**") diagnostic radioligand for suspected mild cognitive impairment ("**MCI**") due to Alzheimer's disease ("**AD**") or AD dementia. XTR004 is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-myocardial perfusion imaging ("**MPI**"). XTR003 is a potential first-in-class, ^{18}F-labeled PET diagnostic radioligand for myocardial fatty acid metabolism imaging to detect myocardial viability. Among our pipeline assets, three were in commercial or near-commercial stage; eight were in clinical or IND-enabling stage; and four were under investigator-initiated trials ("**IITs**") or preclinical studies. In particular, our pipeline includes four potential first-in-class or best-in-class assets and four assets developed based on top five best-selling radiopharmaceuticals globally in 2024, underscoring the strong competitiveness of our pipeline.

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCTS OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

SUMMARY

The following chart shows our product pipeline and summarizes the status of our commercialized product, as well as our selected product candidates under development, as of the Latest Practicable Date:

	Candidate (Trade Name)	Radio-nuclide	Target	Indication (Line of Treatment)	Development Stage[3]	Commercial Rights[4]	Next Milestone
Oncology	★ XTR008	^{177}Lu	SSTR	G1/G2 GEP-NETs	*NDA Submitted*	Global	To obtain NDA approval in 2026
				G3 GEP-NETs/PPGL/NENs of other origins	*Phase II trial ongoing*	Global	To complete Ph II in 2026
	XTR015	^{64}Cu	SSTR	NETs	*Phase III trial in preparation*	Global	To complete Ph III in 2026
	XTR024	^{225}Ac	SSTR	G1/G2 GEP-NETs that have failed ^{177}Lu-SSTR treatment/G3 NETs/NECs	*IIT ongoing*	Global	To submit IND application in 2026
				ES-SCLC	*IIT ongoing*	Global	To submit IND application in 2026
	XTR010	^{177}Lu	PSMA	mCRPC (≥2L)	*Phase I/II trial ongoing*	Global	To complete Ph I in 2025
	XTR020	^{18}F	PSMA	Prostate cancer	*Phase III trial ongoing*	China	To complete Ph III in 2026
	XTR021	^{177}Lu	PSMA	mCRPC (≥2L)	*IIT ongoing*	Global	To submit IND application in 2026
				mCRPC (1L)	*IIT ongoing*	Global	To submit IND application in 2026
	XTR022	^{225}Ac	PSMA	mCRPC that have failed ^{177}Lu-PSMA treatment	*IIT ongoing*	Global	To submit IND application in 2027
				mCRPC (≥2L)	*IIT ongoing*	Global	To submit IND application in 2027
	XTR016	^{64}Cu	FAP	Advanced solid tumors	*IND approval received*	Global	To enter Ph I in 2025
	XTR017	^{177}Lu	FAP	Advanced solid tumors	*IND approval received*	Global	To enter Ph I in 2026
	XTR012[1]	^{223}Ra	Phosphate	Bone metastases from prostate cancer	*ANDA submitted*	Global	To obtain ANDA approval in 2026
	XTR025	^{177}Lu	Undisclosed	Glioblastoma	*IIT ongoing*	Global	To submit IND application in 2027
NDD	XTR005 (歐卓寧®)	^{18}F	Aβ	AD	*Marketing approval received*	China	/
	★ XTR006	^{18}F	Tau	AD	*Phase III trial ongoing*	China	To complete Ph III in 2027
CVD	★ XTR004	^{18}F	Mitochondrial complex I	Detection of myocardial ischemia	*Phase II trial completed*	Global	To enter Ph III in 2025
				Detection of coronary microcirculatory dysfunction		Global	To submit IND application in 2026
	★ XTR003	^{18}F	FFA[2]	Detection of myocardial viability/metabolism	*Phase IIb trial to initiate*	Global	To enter Phase IIb in 2025

★ Core Product Therapeutic Diagnostic

Abbreviations: NDD = neurodegenerative disease; CVD = cardiovascular disease; SSTR = somatostatin receptor; PPGL = pheochromocytoma and paraganglioma; PSMA = prostate-specific membrane antigen; FAP = fibroblast activation protein; Aβ = β-amyloid; Tau = tubulin associated unit; FFA = free fatty acids; NETs = neuroendocrine tumors; GEP-NETs = gastroenteropancreatic neuroendocrine tumors; NEN = neuroendocrine neoplasm; NEC = neuroendocrine carcinomas; ES-SCLC = extensive-stage small cell lung cancer; mCRPC = metastatic castration-resistant prostate cancer; 2L = second-line treatment; AD = Alzheimer's disease; IND = investigational new drug; IIT = investigator initiated trial; Ph = Phase; NDA = new drug application; ANDA = abbreviated new drug application.

Notes:

(1) XTR012 is the only product candidate in our pipeline that is not a radioligand. It consists of ^{223}Ra-dichloride, a calcium mimetic with a natural affinity for bone tissue. Additionally, as a generic version of Xofigo® by Bayer, XTR012 is the only candidate in our pipeline that does not require clinical trials to demonstrate safety and efficacy for marketing approval. It is therefore the only candidate in our pipeline eligible for approval through the ANDA pathway.

(2) The targeting ligand of XTR003 is a free fatty acid analog that leverages the myocardium's fatty acid metabolism to assess myocardial viability. XTR003 enters cardiac cells through fatty acid transport proteins and CD36 receptors, both of which play key roles in mediating the uptake of free fatty acids into myocardial tissue.

(3) As of the Latest Practicable Date, all of our pipeline products were marketed or under development in China. Certain clinical stages of our product candidates, including XTR008, XTR006, XTR015, XTR012 and XTR020, were not required by the NMPA. For details regarding the clinical development process and material communications with the NMPA, see "Business – Material Communications with Competent Authorities" and "– Summary of Clinical Trial (Results)" under the introduction of each product candidate.

(4) We have entered into collaboration agreements with multiple partners, including Life Molecular Imaging Ltd., Institute of the Nuclear Physics and Chemistry, China Academy of Engineering Physics (the "**INPC**"), Cerveau Technologies Inc. ("**Cerveau**"), Beijing Normal University, and Blue Earth Diagnostics Limited ("**BED**"), regarding intellectual property rights of commercialized product XTR005, as well as the product candidates XTR008, XTR006, XTR004, and XTR020. In addition, we also entered into an agreement with an Independent Third Party to in-license exclusive global rights related to XTR010. For details concerning the terms of the collaboration agreements related to our Core Products XTR008, XTR006 and XTR004, see "– Collaboration Arrangements." For additional information regarding the collaboration arrangements related to XTR010, XTR020 and XTR005, see "– Product Candidates – XTR010 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy – Licenses, Rights and Obligations", "– Product Candidates – XTR020 – ^{18}F-labeled PSMA-targeted PET Tracer – Licenses, Rights and Obligations," and "– Marketed Products – XTR005," respectively.

Source: Company data

Business Model

We are a front-runner and leader in China's radiopharmaceutical market with end-to-end capabilities spanning the entire industry value chain from radionuclide development and production, radiopharmaceutical research and development, to radiopharmaceutical manufacturing and commercialization. Our core business model involves developing and commercializing radiopharmaceuticals in our strategically focused areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases. We employ a flexible R&D approach combining internal discovery and in-licensing arrangements, which allows us to efficiently identify, acquire, and advance differentiated radiopharmaceutical assets, with a particular focus on those with the potential to be first-to-market in China, first-in-class, or best-in-class.

We have established two in-house manufacturing facilities in operation, including one located in Wuxi, Jiangsu Province and one located in Zhongshan, Guangdong Province. As of the Latest Practicable Date, these facilities had a total gross floor area ("**GFA**") of over 20,000 sq.m., housing a total of 12 commercial-scale production lines. In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province, which we expect to commence operations in the third quarter of 2025. We strive to maintain a stable and diversified supply of radionuclides by leveraging both in-house production capability and collaboration relationships with trusted radionuclide suppliers.

To support product commercialization, we pursue a dual-pillar strategy comprising both direct sales and external partnerships. We believe this model will enable us to maximize the value of our assets, efficiently scale our operations, and manage development risks in a cost-effective manner.

Our Pipeline

Core Product–XTR008

XTR008 is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand being developed for the treatment of NENs. For details regarding the mechanism of action of XTR008, see "Business – Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Mechanism of Action." As potentially the first SSTR-targeted therapeutic radioligand in China, we submitted an NDA to the NMPA in March 2025 based on the completed interim analysis of a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, G1 or G2 SSTR-positive gastroenteropancreatic neuroendocrine tumors ("**GEP-NETs**") in China. The NDA was accepted by the NMPA in April 2025, and we expect to receive NDA approval in 2026.

We have observed remarkable efficacy and safety of XTR008 in our registrational Phase III clinical trial. Results of the clinical trial demonstrated that the XTR008 treatment group significantly outperformed the control group receiving standard treatment of high-dose somatostatin long-acting repeatable ("**LAR**") in terms of multiple efficacy indicators, including progression-free survival ("**PFS**") and overall response rate ("**ORR**"). Meanwhile, the Phase III clinical trial of XTR008 demonstrated PFS and other efficacy indicators similar to or more favorable than those observed in the Phase III NETTER-1 trial for Lutathera®.

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We are conducting a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive NEN (excluding G1/G2 GEP-NETs), including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive pheochromocytoma and paraganglioma ("**PPGL**") or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and cancer of unknown primary – neuroendocrine neoplasm ("**CUP-NEN**").

Addressable Market and Competition

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. According to CIC, the incidence of NEN globally and in China increased from 437,800 and 49,300, respectively, in 2018 to 557,200 and 60,300, respectively, 2024, and is forecasted to further grow to 755,200 and 73,500, respectively, in 2035. GEP-NENs are a heterogeneous and complex group of tumors that originate from cells of the diffuse neuroendocrine system and are commonly found in the intestine, pancreas, and bronchopulmonary system. As a major subtype of NENs, GEP-NETs account for approximately 65% to 75% of all NENs and approximately 80% of GEP-NETs overexpress SSTRs.

The global market for SSTR-targeted therapeutic radioligands was valued at US$0.2 billion in 2018 and increased to US$0.7 billion in 2024, reflecting a CAGR of 27.7%. This market is projected to reach US$3.4 billion in 2035, with a CAGR of 15.0% from 2024 to 2035. In China, there was no SSTR-targeted therapeutic radioligand approved for NEN treatment as of the Latest Practicable Date. However, with the anticipated approval of the first SSTR-targeted therapeutic radioligand in 2026, the market in China is expected to grow rapidly and reach RMB5.4 billion in 2035.

As of the Latest Practicable Date, Lutathera® was the only radioligand therapy approved for the treatment of GEP-NETs on a global scale. It was first approved by the FDA in 2018 as a second-line treatment in combination with somatostatin LAR for adults with SSTR-positive GEP-NETs. In 2024, the FDA expanded its indication to include pediatric patients aged 12 years and older. Currently, Lutathera® is commercially available in the U.S., Canada, the EU, and Japan, though it has not yet been launched in China. Since its approval, Lutathera® has demonstrated strong sales momentum, growing from US$167 million in 2018 to US$724 million in 2024, making it one of the fastest-growing products in Novartis' portfolio.

As of the Latest Practicable Date, five SSTR-targeted therapeutic radioligands were under Phase III or later-stage clinical development globally. XTR008, with its NDA accepted by the NMPA, stands out as the most clinically advanced product candidate with the first-to-market potential in China. For details regarding the competitive landscape of SSTR-targeted therapeutic radioligands, see "Industry Overview – Major Indications – NEN – Treatment of NEN."

Core Product–XTR006

XTR006 is a potential best-in-class, ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. For details regarding the mechanism of action of XTR006, see "Business – Product Candidates – Core Product – XTR006 – Potential Best-in-class ^{18}F-labeled Tau-targeted PET Tracer – Mechanism of Action." It has the potential to serve as a powerful precision diagnostic tool for distribution and quantitative assessment, providing accurate insights to guide AD treatment decisions. As of the Latest Practicable Date, we were investigating XTR006 in a Phase III clinical trial, and expect to complete the trial in 2027.

As a tau-targeted radioligand, XTR006 has strong potential to facilitate AD staging, prognostic assessment and advancing therapy development. XTR006 incorporates an innovative molecular design that effectively overcomes the off-target binding issues observed with approved PET tracers such as Tauvid® developed by Eli Lily. This results in significantly improved specificity and a higher signal to-noise ratio, thereby enhancing imaging quality and diagnostic accuracy. Results from clinical trials have shown promising safety and efficacy profile of XTR006. Specifically, data from our Phase I clinical trial in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group.

Addressable Market and Competition

Epidemiological data indicate that the number of individuals with MCI in China was approximately 36.1 million in 2018 and is expected to increase from 49.6 million in 2024 to 80.6 million in 2035, representing a CAGR of 5.4% from 2018 to 2024 and 4.5% from 2024 to 2035. Similarly, the prevalence of AD and other dementias ("**ADOD**") was 14.7 million in 2018 and is projected to rise from 18.1 million in 2024 to 26.8 million in 2035, reflecting a CAGR of 3.5% from 2018 to 2024 and 3.6% from 2024 to 2035. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. These numbers are expected to grow substantially with the aging population.

The treatment principles for AD include early diagnosis, timely intervention, and lifelong management. Therefore, early diagnosis of AD during the MCI stage is critical for effective disease management. Among the major diagnostic approaches – such as cognitive scales and questionnaires, imaging examinations, body fluid analyses, and genetic testing – only PET imaging and lumbar puncture offer both high sensitivity and high diagnostic accuracy for early-stage detection. However, lumbar puncture is invasive and technically challenging to perform. PET imaging, on the other hand, provides high sensitivity and diagnostic precision by visualizing *in vivo* Aβ and tau protein aggregations, the pathological hallmarks of AD. As diagnostic technologies continue to advance, PET imaging and fluid biomarker testing have significantly enhanced early detection capabilities.

As of the Latest Practicable Date, our 歐韋寧® (or XTR005), an Aβ-targeted PET tracer, was the only pathology-targeted PET tracer approved for the diagnosis of AD in China. Following its official launch in 2025, the market in China is projected to experience significant growth, expanding from RMB2.6 billion in 2031 to RMB9.7 billion in 2035, representing a CAGR of 38.6%.

As of the Latest Practicable Date, there were five pathology-targeted PET tracers under clinical development in China, including two targeting tau protein. With the launch of our XTR005 in 2025 and our Core Product XTR006 advancing to the Phase III clinical stage, we are positioned as the most clinically advanced player in the Chinese market targeting both Aβ and tau for AD diagnosis. For details regarding the competitive landscape of pathology-targeted PET tracers, see "Industry Overview – Major Indications – AD."

Core Product–XTR004

XTR004, a Core Product, is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. It is designed to detect myocardial ischemia due to flow-limiting stenoses in epicardial arteries and/or coronary microvascular dysfunction ("**CMD**"). For details regarding the mechanism of action of XTR004, see "Business – Product Candidates – Core Product – XTR004 – ^{18}F-labeled mitochondrial complex I-targeted PET-MPI Tracer – Mechanism of Action." We have completed a Phase I clinical trial and a Phase II clinical trial for XTR004 and we plan to initiate a Phase III trial in the fourth quarter of 2025. We are also currently conducting preclinical studies to explore the potential of XTR004 in coronary microvascular dysfunction detection.

The completed Phase I and Phase II clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR004. As the first and only PET-MPI tracer under clinical development in China, we believe XTR004 could provide clinicians with a more accurate and reliable method to diagnose myocardial ischemia and guide treatment decisions. Meanwhile, it has the potential to address the clinical challenges associated with the excessive use of coronary angiography and interventional treatments, especially stent implantation, thus reducing both patient suffering and the financial burden of unnecessary procedures.

Addressable Market and Competition

According to CIC, the number of coronary artery disease ("**CAD**") patients globally and in China amounted to 316.6 million and 11.5 million, respectively, in 2024 and is expected to reach 323.3 million and 12.7 million, respectively, in 2035.

Although structural imaging such as coronary computed tomography angiography ("**CTA**") and coronary angiography visualize coronary anatomy and detect stenosis, it cannot determine if a luminal narrowing causes ischemia. Functional measurement – including stress echocardiography, single photon emission computed tomography ("**SPECT**") imaging, PET imaging, cardiovascular magnetic resonance ("**CMR**"), and pressure wire-based fractional flow reserve ("**FFR**") measurement – assesses the physiological impact of flow-limiting lesions by evaluating myocardial perfusion or hemodynamic significance. Compared to structural imaging, functional measurement more accurately identifies ischemia, improves risk stratification, and guides treatment decisions, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction. Moreover, coronary angiography, as an invasive procedure, is considered necessary only if non-invasive tests demonstrate a high likelihood of CAD. Pressure wire-based FFR measurement is also an invasive procedure, which carries risks and is technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy.

In China, PET-MPI is less commonly used than in developed countries but offers significant advantages over clinically applicable SPECT-MPI, including higher sensitivity in evaluating multi-vessel disease and microvascular dysfunction due to higher spatial resolution, more precise attenuation correction, and the ability to quantify myocardial blood flow. PET imaging can also assess myocardial flow reserve ("**MFR**") under both resting and stress conditions. This capability helps reduce unnecessary coronary angiography and fractional flow reserve testing, improving diagnostic accuracy and guiding treatment decisions, while also shortening examination time and supporting broader clinical adoption.

With the anticipated approval of more innovative radionuclide-labeled PET tracers for MPI beginning in 2028, the MPI tracer market globally and in China is expected to increase from US$1,247.7 million and RMB36.0 million, respectively, in 2024 and to US$1,844.6 million and RMB2,210.6 million, respectively, in 2035.

As of the Latest Practicable Date, our Core Product XTR004 was the first and only PET-MPI tracer under clinical development in China. For details regarding the competitive landscape of radionuclide myocardial imaging PET tracers, see "Industry Overview – Major Indications – CAD."

Core Product–XTR003

XTR003 is a potential first-in-class, ^{18}F-labeled PET diagnostic radioligand for myocardial fatty acid metabolism imaging to detect myocardial viability. For details regarding the mechanism of action of XTR003, see "Business – Product Candidates – Core Product – XTR003 – World's First and Only PET Tracer for Myocardial Fatty Acid Metabolism Imaging – Mechanism of Action." It is the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development. We have completed a Phase I clinical trial in healthy subjects and a Phase II clinical trial of XTR003/^{18}F-fluorodeoxyglucose ("**FDG**") combined imaging. We anticipate to initiate a Phase IIb clinical trial in 2025. As of the Latest Practicable Date, the Phase II stage of XTR003 was still ongoing.

Clinically, it is essential to distinguish between viable and non-viable (or scarred) myocardial tissue in patients who have experienced myocardial infarction. This assessment is a critical step in deciding whether early revascularization – such as through coronary artery bypass grafting or percutaneous coronary intervention – could improve clinical outcomes. However, conventional PET myocardial metabolism imaging relies on a glucose-loading protocol with ^{18}F-FDG injection that faces many limitations in clinical utilization. Also, for diabetic patients, various interference factors may compromise image quality, while the glucose-loading process itself increases the risk of hypoglycemia. XTR003 is designed to directly detect myocardial fatty acid metabolism without the need for blood glucose regulation. When used in a fasting state in combination with ^{18}F-FDG, it can simultaneously assess overall myocardial metabolism from two dimensions, i.e. glucose metabolism and myocardial fatty acid metabolism. As a result, the fasting XTR003/^{18}F-FDG combined PET myocardial metabolism imaging has the potential to provide cardiologists with a more accurate and reliable method to assess myocardial viability.

The completed clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR003. Based on results of the Phase II clinical trial, the fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging has comparable ability for the detection of viable myocardium to that of glucose-loaded ^{18}F-FDG PET myocardial metabolism imaging, with all image quality ratings meeting clinical diagnostic requirements.

Addressable Market and Competition

According to CIC, the number of CAD patients worldwide requiring coronary artery bypass grafting or percutaneous coronary intervention was 7.3 million in 2018 and increased to 14.3 million in 2024, representing a CAGR of 11.9%. This number is expected to reach 35.6 million in 2035, with a CAGR of 8.9%. In China, the number of CAD patients requiring these procedures was 1.0 million in 2018 and rose to 1.8 million in 2024, reflecting a CAGR of 10.7%. This figure is projected to reach 2.6 million by 2035, with a CAGR of 3.7% from 2024 to 2035.

As of the Latest Practicable Date, our Core Product XTR003 stands out as the first and only PET myocardial fatty acid metabolism imaging agent in China and globally.

Other Product Candidates

In addition to our Core Products, our pipeline features several assets with the potential to be first-to-market in China, first-in-class or best-in-class.

- **XTR015** is ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. XTR015 is the first ^{64}Cu-labeled SSTR-targeted PET radioligand to receive IND in China. ^{64}Cu offers significant advantages over ^{68}Ga-labeled alternatives, including (i) a longer half-life (12.7 hours vs. 67.7 minutes), which allows for more flexible logistics and broader clinical accessibility; (ii) a shorter positron range due to lower positron energy, resulting in better spatial resolution and more accurate lesion detection; and (iii) an extended imaging window (one to three hours vs. one hour post-injection), offering greater scheduling flexibility and improving clinical efficiency. We plan to initiate a registrational Phase III clinical trial of XTR015 in 2025, which is anticipated to be completed in 2026.

- **XTR010** is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. Its mechanism of action was validated by the successful commercialization of Pluvicto®. Different from Pluvicto®, XTR010 incorporates a structurally optimized targeting ligand that enhances tumor uptake with a reduced radionuclide dose. This offers a cost advantage by achieving comparable or improved therapeutic effects with a smaller dose of radionuclide, positioning XTR010 as a promising and cost-effective treatment option for prostate cancer patients. As of the Latest Practicable Date, XTR010 stood out as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China and we were advancing XTR010 in a Phase I/II clinical trial.

- **XTR021** is a potential best-in-class, internally discovered and developed ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). In an IIT, XTR021 has demonstrated a rapid prostate specific antigen response and superior internalization efficiency compared to ^{177}Lu-PSMA-617, indicating enhanced efficacy and reduced treatment-related toxicity. As of the Latest Practicable Date, XTR021 was investigated under an IIT in patients with PSMA-positive mCRPC in China. We plan to submit an IND application to the NMPA in 2026.

- **XTR012** is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from prostate cancer. XTR012 is a generic version of Xofigo® developed by Bayer, which offers targeted, dual-action therapy with effective tumor cell killing while preserving bone structure. We have submitted an ANDA for XTR012 to the NMPA and expect to receive marketing approval in 2026, making it potentially the first approved domestically-developed radiopharmaceutical for bone metastases from prostate cancer in China and the first approved domestically-developed α-emitting radiopharmaceutical in China.

- **XTR020** is a ^{18}F-labeled PSMA-targeted PET radioligand for the diagnosis of prostate cancer. XTR020 binds selectively to PSMA-expressing cells, enabling highly sensitive detection of primary and metastatic lesions through PET imaging. In-licensed from BED, XTR020 (or ^{18}F-Flotufolastat injection) has demonstrated excellent clinical performance in two Phase III trials conducted by BED in the U.S. In addition to enhanced lesion detectability and high specificity compared to conventional imaging methods such as MRI, XTR020 may be logistically more convenient due to with its longer half-life (109.7 minutes) compared to ^{68}Ga-labeled alternatives (67.7 minutes) for PET imaging. As of the Latest Practicable Date, there was no PSMA-targeted PET tracer approved for sale in China and we were advancing XTR020 in a Phase III clinical trial.

Furthermore, we are developing innovative radioligand candidates, including XTR022, XTR016, XTR017, XTR024 and XTR025, which are currently in preclinical studies or IITs in China. Each of these candidates has the potential to be first-to-market in China, first-in-class, or best-in-class.

For details of each product candidates, see "Business – Product Candidates."

Marketed Products

As of the Latest Practicable Date, we had launched two products, XTR005 (marketed under the tradename 歐韋寧®) and adenosine injection (marketed under the tradename 歐達樂®) in China. Specifically:

- **XTR005** is an Aβ-targeted PET tracer designed to measure Aβ plaque levels in the brains of adult patients via PET imaging, aiding in the assessment of AD and other causes of cognitive decline. As of 2024, China had approximately 49.6 million patients with MCI and 18.1 million with ADOD, representing a significant public health burden. While diagnostic methods for AD continue to advance, early and accurate diagnosis remains a major challenge. Current techniques often fail to detect Aβ pathology effectively, limiting the potential for targeted and timely treatment. To address this unmet need, we entered into an agreement with Life Molecular Imaging Ltd. to in-license exclusive patent rights controlled by it for the development, manufacture, and commercialization of XTR005 as a diagnostic radioligand for neurodegenerative diseases in mainland China. Bridging clinical trials sponsored and conducted by us in China have demonstrated that XTR005 can qualitatively and quantitatively detect Aβ plaque pathology in Chinese AD patients, with strong efficacy and safety profiles. These results supported its promise for early and accurate AD diagnosis. In September 2023, XTR005 received NDA approval from the NMPA for AD diagnosis. As the first Aβ-targeted PET tracer approved in China, XTR005 is poised to become a valuable tool for patient screening and for evaluating the effectiveness of Aβ-targeted therapies. In January 2025, we started to sell XTR005. As of the Latest Practicable Date, we had established cooperative relationship for the sale of XTR005 with over 50 medical institutions in the Beijing-Tianjin-Hebei-Shandong region and Guangdong Province.

- **Adenosine injection**, a non-pipeline product, is approved in China for two indications: (1) as a pharmacologic stress agent used as an adjunct in myocardial perfusion imaging, and (2) for pharmacologic stress echocardiography to aid in the diagnosis of CAD. Adenosine is a purine nucleoside naturally present in all cells, acting as a neuromodulator and playing a critical role in physiological processes such as energy metabolism and neuronal activity. Adenosine is widely recognized as a key agent for pharmacologic stress testing in patients with suspected or known CAD who are unable to undergo traditional exercise stress tests. In China, a prolonged shortage of adenosine had significantly limited the advancement of nuclear cardiology. To address this unmet need, we launched adenosine injection in 2023 following marketing approval from the NMPA in January 2023, to support nuclear stress testing utilizing nuclear imaging, echocardiography, and MRI. As of the Latest Practicable Date, our adenosine injection remained the only stress agent in China approved for two indications, providing a new non-invasive option for assessing myocardial ischemia in patients with CAD.

Our Technology Platforms

We have strategically established our proprietary technology platforms, recognizing the distinct characteristics of development of radiopharmaceuticals compared to other drug modalities. By harnessing these technology platforms, we can systematically advance candidates with the best potential to become precision-targeted, clinically-active and commercially-viable radiopharmaceuticals.

- ***Radiopharmaceutical Discovery.*** Radiopharmaceuticals differ from conventional pharmaceuticals because they require the synthesis of a precursor (consisting of a targeting ligand with a linker and a chelator), which is then radiolabeled to produce the final product. Our precursor design and optimization platform focuses on enhancing druggability and clinical translation by integrating key parameters such as pharmacokinetics, physicochemical properties and tissue distribution into compound design and optimization. In addition, our therapeutical radioligand screening platform encompasses the identification and optimization of targeting ligands and linkers, *in vitro* activity screening, radiolabeling and *in vivo* efficacy validation.

- ***Radiopharmaceutical Development.*** Considering the unique nature of radiopharmaceuticals and the highly inter-disciplinary approach required for their development, we have established specialized technology platforms across all key stages of radiopharmaceutical development. In particular:

  - ***Medical Radioisotope Development Platform:*** Radionuclides are essential raw materials for radiopharmaceuticals. Their short half-lives require highly advanced technical capabilities in R&D and imposing significant logistical and operational challenges on the supply chain. With accumulated expertise in both reactor-based and cyclotron-based radionuclide production from both liquid and solid target materials, we leverage our medical radioisotope development platform to conduct comprehensive radionuclide process and quality study to produce high-purity radionuclides, while ensuring seamless regulatory integration.

- ***Radiochemistry Labeling Technology Platform:*** Current radiochemical labeling techniques face challenges such as optimizing reaction efficiency, ensuring stability against radiolysis and maintaining product homogeneity. To address these challenges, our radiochemistry labeling technology platform integrates optimized labeling process parameters, tailored formulation screening (e.g., radical scavengers, buffer systems), and rigorous material selection to ensure stability and quality control even at high levels of radioactivity.

  In addition, due to their radioactive nature, radiopharmaceuticals require automated synthesis modules and must be manufactured at scale within shielded hot cells for radiation protection. Developing automated synthesis programs demands in-depth knowledge of reaction characteristics, functionality of infrastructure and software programming. Our radiochemistry labeling technology platform enables efficient programming of labeling processes across various automated synthesis modules, facilitating the development of diverse radioligands and significantly accelerating radiopharmaceutical research and production.

• ***Radiopharmaceutical Clinical Research.*** Radiopharmaceutical is characterized by its ability to be noninvasively visualized and quantified. Due to its unique emission property from radioactive decay, pharmacokinetic assessment of these agents differ fundamentally from those of conventional drugs. To address these challenges, we have established multiple dedicated radiopharmaceutical clinical research platforms.

  - ***Radiation Dosimetry Platform:*** Radiation dosimetry research is a fundamental aspect of radiopharmaceutical development, playing a crucial role in ensuring both efficacy and safety. We have built a dedicated radiation dosimetry research platform, which systematically evaluates the efficacy and safety of radiopharmaceuticals by analyzing their radioactive activity across different organs at multiple time points, providing a robust scientific foundation for dose selection.

  - ***Imaging Platform:*** To advance clinical trials for diagnostic radiopharmaceuticals and support imaging-based evaluations of therapeutic radiopharmaceuticals, we have established a comprehensive medical imaging platform. Designed in full compliance with good clinical practice ("**GCP**") standards, this platform features robust image data management and quality control ("**QC**") processes to ensure accuracy and reliability.

  - ***Translational Medicine Platform:*** Radiopharmaceuticals exert their pharmacological effects through two primary components: the precursor – used in microgram quantities with minimal safety concerns – and the radionuclide, which provides diagnostic or therapeutic functionality. Due to this unique mechanism of action, early-stage clinical development of radiopharmaceuticals, both in China and internationally, is largely driven by IITs conducted by qualified medical institutions.

We have established a translational medicine platform for radiopharmaceuticals with proven capabilities in IIT design and execution and strategic partnerships with nuclear medicine departments at top-tier hospitals in China. This model accelerates the translation of preclinical candidates ("**PCCs**") into clinical validations by generating human data that directly supports IND submissions and refines clinical trial protocols.

- ***Theranostics Development Platform.*** The theranostic development platform integrates the development of diagnostic and therapeutic radioligands, achieving a seamless diagnosistherapy continuum. Diagnostic radioligands serve as important tools in target validation, patient selection and monitoring treatment responses for therapeutic radioligands, enhancing our R&D efficiency. Built upon our theranostic development platform, we are developing a number of theranostic pairings, including XTR008/XTR015 and XTR017/XTR016. Specifically, XTR015 is used to identify NET patients expressing SSTRs, followed by the administration of XTR008 for targeted therapy. Similarly, XTR016 is used to identify cancer patients expressing FAP, followed by the administration of XTR017 for targeted therapy.

For details regarding technology platforms, see "Business – Our R&D Platforms."

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors:

- A front-runner and leader in the radiopharmaceutical market in China with end-to-end capabilities spanning the entire industry value chain;
- A comprehensive, differentiated and synergistic product matrix with significant potential in radiotheranostics;
- Fully-integrated radiopharmaceutical R&D capabilities empowered by robust infrastructure, proprietary technology platforms and a high-caliber and multi-disciplinary team of talent;
- GMP-standard commercial-scale in-house manufacturing capability, ensuring cost efficiency and reinforcing our early-mover advantage;
- A dual-pillar commercialization strategy underpinned by strong commercial capabilities to proper our sustainable growth; and
- Visionary and experienced management team with deep industry insights and multi-disciplinary expertise, backed by support from prominent investors.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies:

- Rapidly advance the development of our product candidates;
- Further strengthen our manufacturing and commercial capabilities;
- Continue to enhance our R&D capabilities and further expand our pipeline; and
- Optimize our operation system and continue to attract and retain talent.

RESEARCH AND DEVELOPMENT

We consistently devote resources to research and development to pave the way for long-term growth. We believe that the diversification and expansion of our product pipeline through the "dual-wheel" strategy – leveraging both in-house research and development and external collaborations – have greatly contributed to our past competitiveness and success and will continue to reinforce our established first-mover advantages. Our research and development expenses in 2023 and 2024 amounted to RMB297.0 million and RMB228.0 million, respectively. Our research and development costs attributable to our Core Products were RMB152.9 million and RMB96.6 million in 2023 and 2024, respectively, accounting for 51.4% and 42.3% of our total research and development expenses, and 38.7% and 26.9% of our total operating expenses (i.e. research and development expenses, selling and distribution expenses and administrative expenses) in the respective period.

The development of radiopharmaceuticals requires highly specialized expertise and qualifications. It demands extensive inter-disciplinary experience across fields such as radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. Additionally, proficiency in handling radioactive materials and operating large-scale equipment is essential. We have assembled a professional team with the necessary expertise to meet these requirements. As of the Latest Practicable Date, we have established a dedicated in-house R&D team of 196 members. The functions of our R&D team span the entire spectrum of druggability evaluation, preclinical research, clinical study and regulatory affairs. Core members of our R&D team include Mr. WANG Peng, Dr. JIN Yun, Ms. LIU Shuang and Dr. YANG Guogui. All our core R&D team members have been with us throughout the Track Record Period and up to the Latest Practicable Date.

MANUFACTURING

As of the Latest Practicable Date, we have two production facilities in operation for the manufacturing of our products, product candidates and radionuclides, as well as providing CDMO services, including one located in Wuxi, Jiangsu Province and one located in Zhongshan, Guangdong Province. As of the Latest Practicable Date, these production facilities had an aggregate GFA of approximately 22,175.9 sq.m., housing a total of 12 commercial-scale production lines (with three having obtained production licenses and passed GMP compliance inspections). In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province. We are in the process of obtaining relevant licenses and permits and expect this facility to commence operations in the third quarter of 2025.

MARKETING AND SALES

We sell XTR005 (歐韋寧®) directly to healthcare institutions in China. We also sell 歐達樂® to distributors, which distribute such products to hospitals in China. Our in-house sales and marketing team is primarily responsible for the promotion of our products through various marketing activities and sales through different channels in China. As of the Latest Practicable Date, our in-house sales and marketing team included 91 employees.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 28 registered trademarks in the PRC and two domain names, which we consider to be material to our business. As of the Latest Practicable Date, we held 106 registered patents including 101 registered patents in China, one registered patent in the U.S., and four registered patents in other jurisdictions and 96 patent applications including 53 patent applications in China, seven patent applications in the U.S., 27 patent applications in other jurisdictions, and nine patent applications under PCT. As of the Latest Practicable Date, for our Core Products, we held 33 registered patents, all of which are registered in China, and 26 patent applications including 18 patent applications in China, two patent applications in the U.S., four patent applications in other jurisdictions, and two patent applications under PCT. As of the Latest Practicable Date, we in-licensed 16 registered patents and eight patent applications, including one in-licensed patent in connection with our Core Product XTR006. For further details, please see "Business – Intellectual Property."

OUR CUSTOMERS

Our customers primarily consist of healthcare institutions and distributors which directly purchase pharmaceutical products and radionuclides from us, and pharmaceutical enterprises which purchase CRO or CDMO services from us. In 2023 and 2024, our revenue generated from our five largest customers in each year during the Track Record Period in aggregate accounted for 95.7% and 93.3% of our total revenue in the respective year, respectively, and revenue generated from our largest customer alone in each year during the Track Record Period accounted for 50.3% and 44.0% of our total revenue in each respective year, respectively. To the best of the knowledge of our Directors, all of our five largest customers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest customers in each year during the Track Record Period. For further details, please see "Business – Customers."

OUR SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of (i) suppliers of raw materials (such as radionuclides, precursors and kits) and equipment; (ii) CROs and CMOs; (iii) collaboration partners and (iv) construction service providers for our facilities. In 2023 and 2024, our purchases from our five largest suppliers in each year during the Track Record Period in aggregate accounted for 35.2% and 26.1% of our total purchases in the respective year, respectively, and purchases from our largest supplier alone in each year during the Track Record Period accounted for 14.3% and 6.4% of our total purchases in each respective year, respectively. To the best of the knowledge of our Directors, all of our five largest suppliers in each year during the Track Record Period are Independent Third Parties.

None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers in each year during the Track Record Period. For further details, please see "Business – Suppliers."

SUMMARY OF MATERIAL COLLABORATION ARRANGEMENTS

XTR008 Agreements

Starting in July 2019, we entered into a series of agreements (the "**XTR008 Collaboration Agreements**") with the INPC to co-develop XTR008, i.e. ^{177}Lu-DOTATATE injection. INPC is an Independent Third Party. We became acquainted with INPC due to our shared goal of exploring the application of radionuclides in the pharmaceutical field.

XTR006 Agreement

On July 31, 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in mainland China. On April 30, 2025, we entered into a memorandum of understanding with Cerveau regarding the arrangement of the joint steering committee established under the XTR006 Agreement. At the time we in-licensed MK-6240, it was still in preclinical studies. Cerveau was an Independent Third Party as of the Latest Practicable Date. For the relationship between Cerveau and us, see "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals." The acquisition did not affect the terms of the XTR006 Agreement.

XTR004 Assignment Agreements

We initially in-licensed the exclusive global rights controlled by one individual and Beijing Normal University ("**XTR004 Assignors**") to research, develop, manufacture, and commercialize XTR004 in 2017, while the product was in preclinical stage. Starting in February 2021, we entered into a series of agreements (the "**XTR004 Assignment Agreements**") with XTR004 Assignors to acquire the exclusive global patent rights controlled by the XTR004 Assignors to research, develop, manufacture, and commercialize XTR004. The XTR004 Assignors are Independent Third Parties. We became acquainted with them due to our shared goal of researching and developing radiopharmaceuticals.

Out-licensing Agreements with Duality

Starting in November 2021, we entered into a series of agreements with Duality Biotherapeutics, Inc. to out-license (i) certain patents and know-how owned or controlled by us relating to our in-house developed HER3 mAb ("**HER3 MAb Licensed IP**") (the "**Duality MAb Agreement**"), and (ii) certain patents and know-how owned or controlled by us relating to our in-house developed HER3 bispecific and multi-specific antibodies (together with the "**HER3 MAb Licensed IP**," the "**HER3 Antibody Licensed IP**") (the "**Duality BsAb and MsAb Agreement**" and, together with the Duality MAb Agreement, the "**Duality Agreements**").

For details regarding the collaboration agreements, see "Business – Collaboration Arrangements."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this document, as well as the information set forth in "Financial Information."

Summary Consolidated Statements of Profit or Loss and Comprehensive Income

In 2023 and 2024, we recorded revenue of RMB10.2 million and RMB44.1 million, respectively. We recorded net loss of RMB309.2 million and RMB156.1 million in 2023 and 2024, respectively. The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Revenue	10,232	44,064
Cost of sales	(32,535)	(40,686)
Gross profit/(loss)	(22,303)	3,378
Other income and gains	137,282	100,980
Selling and distribution expenses	(13,854)	(24,353)
Impairment losses on trade receivables, net	(285)	(1,257)
Administrative expenses	(83,857)	(106,591)
Research and development expenses	(296,988)	(227,982)
Change in fair value of redemption liabilities on equity shares	21,610	135,290
Share of losses of associates	(6,344)	(8,111)
Other expenses	(460)	(341)
Finance costs	(24,652)	(10,732)
Loss before tax	**(289,851)**	**(139,719)**
Income tax expense	(19,383)	(16,397)
Loss for the year	**(309,234)**	**(156,116)**
Attributable to:		
Owners of the parent	(297,101)	(149,286)
Non-controlling interests	(12,133)	(6,830)
	(309,234)	**(156,116)**

Revenue

During the Track Record Period, we generated revenue from our (i) sales of goods, mainly including pharmaceutical products and radionuclides; (ii) licensing income, primarily including the upfront payments and milestone payments we received from Duality Biotherapeutics, Inc. For more details, please see "Business – Collaboration Arrangements;" (iii) provision of CRO/CDMO services to our customers; and (iv) provision of marketing services for a third-party pharmaceutical product.

The following table sets forth a breakdown of our revenue for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Sales of goods	881	3,742
Licensing income	3,248	6,703
CRO/CDMO services	952	27,160
Marketing services	5,151	6,459
Total	**10,232**	**44,064**

Our revenue increased by RMB33.9 million from RMB10.2 million in 2023 to RMB44.1 million in 2024, mainly due to (i) an increase of RMB26.2 million in revenue generated from our provision of CRO/CDMO services, primarily due to the increase in the purchase orders for our CRO/CDMO services in 2024; and (ii) the increase of RMB3.5 million in licensing income as we received an increased amount of payments in relation to our out-licensing arrangement.

Summary of Certain Selected Items From the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Non-current assets	1,001,759	942,990
Current assets	964,175	1,335,826
Current liabilities	2,797,426	3,247,865
Net current liabilities	(1,833,251)	(1,912,039)
Total assets less current liabilities	(831,492)	(969,049)
Non-current liabilities	175,973	201,656
Net liabilities	(1,007,465)	(1,170,705)
Total deficit	(1,007,465)	(1,170,705)

Our net current liabilities increased from RMB1,833.3 million as of December 31, 2023 to RMB1,912.0 million as of December 31, 2024, primarily due to (i) an increase in redemption liabilities on equity shares of RMB464.7 million; and (ii) a decrease in cash and cash equivalents of RMB318.9 million, partially offset by an increase in time deposits of RMB423.1 million.

Summary of Consolidated Cash Flow Statements

The following table sets forth our consolidated statements of cash flows for the years indicated.

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Cash used in operations before movements in working capital	(343,673)	(264,951)
Changes in working capital	56,841	4,603
Income tax paid	(19,383)	(16,397)
Net cash flows used in operating activities	(306,215)	(276,745)
Net cash flows used in investing activities	(539,254)	(601,747)
Net cash flows generated from financing activities	1,350,967	559,519
Net increase/(decrease) in cash and cash equivalents	505,498	(318,973)
Cash and cash equivalents at beginning of the year	285,153	790,824
Effect of foreign exchange rate changes, net	621	437
Pledged deposits	(448)	(410)
Cash and cash equivalents at end of the year	**790,824**	**471,878**

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, financial assets at FVTPL and time deposits as of December 31, 2024, and the estimated net **[REDACTED]** from the **[REDACTED]**, as well as cash burn rate, we have available sufficient working capital to cover at least 125% of the Group's costs, including research and development expenses, selling and distribution expenses and administrative expenses, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of (i) net cash used in operating activities, and (ii) capital expenditures. Assuming an average cash burn rate going forward of 1.5 times the level in 2024, we estimate that our cash and cash equivalents, time deposits and financial assets at FVTPL as of December 31, 2024 will be able to maintain our financial viability for **[REDACTED]** months, or, if we also take into account the estimated net **[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range), **[REDACTED]** months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

KEY FINANCIAL RATIO

The table below sets forth our key financial ratio as of the dates indicated.

	As of December 31,	
	2023	2024
Current ratio[(1)]	0.34	0.41

Note:

(1) Current ratio equals to current assets divided by current liabilities as of the same date.

SUMMARY OF MATERIAL RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors." Some of the major risks we face include:

- Our business and financial prospects depend substantially on the success of our clinical stage and preclinical stage product candidates. If we are unable to successfully complete their clinical development, obtain their regulatory approvals and achieve their commercialization, or if we experience significant delays in doing any of the foregoing, our business will be materially harmed.

- We invest substantial resources in research and development in order to develop our product candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.

- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials and commercializing our product candidates on a timely basis.

- We face intense competition and our competitors may discover, develop or commercialize competing products faster or more successfully than we do, which may adversely affect our revenue and profitability and our ability to successfully commercialize our product candidates.

- We have limited experience in the commercialization of products. If we are unable to maintain and expand an effective sales network for our products and future approved product candidates, we may not be able to successfully create or increase market awareness of our products and future approved product candidates, which could negatively affect our ability to effectively sell them and would materially and adversely affect our business, results of operations, financial condition and prospects.

- We have limited experience in manufacturing radiopharmaceutical products on a large commercial scale, and our business could be materially and adversely affected if we encounter problems in manufacturing our products and future approved product candidates.

- The just-in-time manufacturing of our radiopharmaceutical products and product candidates relies on the reliability of equipment and processes, the timely receipt of radioactive raw materials and the timely shipment of finished goods, and require us to organize more production facilities for radiopharmaceutical products manufacturing.

- We may not realize any or all benefits of collaboration, alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

- In conducting radiopharmaceuticals discovery, development and manufacturing, we face potential liabilities, in particular, product liability risks.

- If we and our current or future collaborating partners are unable to protect our intellectual property rights worldwide, or if the scope of such intellectual property rights obtained is not sufficiently broad or a compulsory license is issued, third parties could develop and commercialize product candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our product candidates or technologies would be materially and adversely affected.

- All material aspects of the research, development and commercialization of radiopharmaceutical products are heavily regulated.

PRE-[REDACTED] INVESTMENTS

Our Company obtained several rounds of investments, including the Jan-2017 Capital Increase, Dec-2017 Capital Increase, Jun-2020 Capital Increase, Sep-2020 Capital Increase, Feb-2021 Capital Increase, Oct-2021 Capital Increase, Jun-2023 Capital Increases, Nov-2024 Capital Increase and Dec-2024 Capital Increase, from the Pre-**[REDACTED]** Investors through subscriptions for increased registered capital of our Company. In addition, some investors joined our Company by purchase of the registered capital or Shares of our Company from the then existing Shareholders. For details, please see "History, Development and Corporate Structure – Pre-**[REDACTED]** Investments" in this document.

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of May 23, 2025, each of the Employee Shareholding Platforms held 1,775,726 Shares, 864,054 Shares, 799,557 Shares, 799,556 Shares and 361,711 Shares, representing approximately 3.01%, 1.46%, 1.35%, 1.35% and 0.61% of the total issued Shares of our Company, respectively. Each of them is managed by Mr. Xu as their respective executive partner. Each of the AIC Parties, namely Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, beneficially held 6,686,142 Shares, 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, representing approximately 11.32%, 2.46%, 1.96%, 1.47%, 1.25%, 0.46% and 0.32% of the total issued Shares of our Company, respectively.

Pursuant to the Concert Party Agreement, the AIC Parties have agreed to act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this document.

Therefore, the Single Largest Shareholders Group, comprising the Employee Shareholding Platforms and the AIC Parties, as a group of Shareholders, were collectively entitled to exercise the voting rights attaching to approximately 27.03% of the total issued Shares of our Company as of May 23, 2025. Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), the Single Largest Shareholders Group will be collectively entitled to exercise the voting rights attaching to approximately **[REDACTED]**% of the total issued Shares of our Company. Accordingly, the Single Largest Shareholders Group, as a group of Shareholders, will not be regarded as our controlling Shareholders, but will remain as our single largest group of Shareholders upon completion of the **[REDACTED]**. For details, please see section headed "Relationship With Our Single Largest Shareholders Group" in this document.

CONCERT PARTY AGREEMENT

On July 20, 2020, the AIC Parties entered into the Concert Party Agreement, pursuant to which, they (i) acknowledged and confirmed their relationship of acting in concert in exercising the rights of the shareholders of the Company, and agreed to continue such acting in concert relationship, and (ii) agreed to consult with each other and reach a unanimous consensus before the decisions when exercising his/her voting rights as a shareholder of the Company and when participating in the Group's operation and management, external investments and all major matters, and if there is any disagreement between them after consultation, parties shall follow Mr. Xu's decision in exercising his/her voting rights of the Shares. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this document.

CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules after the **[REDACTED]**. Further particulars about such transactions together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in "Connected Transactions" in this document.

RECENT DEVELOPMENTS

Our recent developments of our drug candidates since the end of the Track Record Period include:

- In January 2025, we started to sell XTR005 (歐韋寧®). As of the Latest Practicable Date, we had established cooperative relationship for the sale of XTR005 with over 50 medical institutions in the Beijing-Tianjin-Hebei-Shandong region and Guangdong Province.

- In February 2025, we obtained the regulatory clearance from the CDE to conduct a Phase III trial of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia.

- In February 2025, we submitted the ANDA of XTR012 for the treatment of symptomatic castration-resistant prostate cancer ("**CRPC**") patients with bone metastases to the NMPA.

- In March 2025, we initiated a registrational Phase III clinical trial of XTR020 for the diagnostic imaging and staging of PSMA-positive lesions in men with suspected recurrence based on elevated serum PSA levels in China.

- In March 2025, based on clinical data from a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, well-differentiated low-grade (G1) or intermediate-grade (G2) GEP-NETs, we submitted an NDA of XTR008 for the same indication to the NMPA, and the NMPA accepted our NDA in April 2025.

We expect to continue to incur net loss for the year ending December 31, 2025 as we continue to advance our research and development activities.

DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-

tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED]	Based on the [REDACTED] of HK$[REDACTED]
Market capitalization of our Shares[(1)]	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share as of December 31, 2024[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market capitalization is based on **[REDACTED]** Shares expected to be in issue immediately upon completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to Appendix II.

USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]**, after deducting **[REDACTED]**, fees and other estimated expenses paid and payable by us in connection with the **[REDACTED]**, assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this document). We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes:

- **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for the research, development and registrational filings of our Core Products;
- **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for the research and development of our other product candidates;
- **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for the reinforcement of our sales and marketing capabilities;
- **[REDACTED]**%, or approximately HK$**[REDACTED]** will be used for the construction of a new manufacturing facility in the Beijing-Tianjin-Hebei-Shandong Region; and
- **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for working capital and other general corporate purposes.

See "Future Plans and Use of **[REDACTED]**."

[REDACTED] EXPENSES

Our **[REDACTED]** expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. Based on the **[REDACTED]** of HK$**[REDACTED]** per Share, our **[REDACTED]** expenses in relation to the **[REDACTED]** are estimated to be approximately RMB**[REDACTED]** (HK$**[REDACTED]**), representing **[REDACTED]**% of the gross **[REDACTED]**. The **[REDACTED]** expenses consist of (i) **[REDACTED]**-related expenses, including **[REDACTED]**, of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), and (ii) non-**[REDACTED]**-related expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), and (b) other fees and expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**).

During the Track Record Period, we incurred **[REDACTED]** expenses of **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) after the Track Record Period, approximately RMB**[REDACTED]** (HK$**[REDACTED]**) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** (HK$**[REDACTED]**) of which is attributable to the issue of Shares and will be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change of our business, financial condition and results of operations since December 31, 2024, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this document, and up to the Latest Practicable Date.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are defined in the section headed "Glossary of Technical Terms" in this document.

"Accountant's Report"	the accountant's report of our Company for the Track Record Period from Ernst & Young, the text of which is set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"AIC Party(ies)"	Mr. Xu, Mr. Xue, Mr. Chu, Ms. Liu, Ms. Tang, Ms. Qi and Mr. Wang
"Articles" or "Articles of Association"	the articles of association of our Company adopted on April 27, 2025 with effect upon **[REDACTED]** (as amended from time to time), a summary of which is set out in Appendix V to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"BED"	Blue Earth Diagnostics Limited
"Beijing Sinotau Bio-pharmaceutical"	Beijing Sinotau Bio-pharmaceutical Technology Co., Ltd. (北京先通生物醫藥技術有限公司) (formerly known as Beijing Xiantongda Medical Research Co., Ltd. (北京先通達醫學研究有限公司) and Beijing Xiantongda Bio-pharmaceutical Technology Co., Ltd. (北京先通達生物醫藥技術有限公司)), a limited liability company established in the PRC on August 28, 2014, and a wholly owned subsidiary of our Company
"Beijing Sinotau Cloud"	Beijing Sinotau Cloud Pharmaceutical Technology Promotion Co., Ltd. (北京先通雲醫藥科技推廣有限公司), a limited liability company established in the PRC on August 27, 2018, and a wholly owned subsidiary of our Company
"Beijing Sinotau Innovation"	Beijing Sinotau Innovation Pharmaceutical Technology Co., Ltd. (北京先通科創醫藥科技有限公司), a limited liability company established in the PRC on May 31, 2021, and a wholly owned subsidiary of our Company

"Beijing Sinotau Juhui"	Beijing Sinotau Juhui Technology Development Center (Limited Partnership) (北京先通聚慧科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on May 16, 2023 which is controlled by Mr. Xu, as the general partner
"Beijing Sinotau Juli"	Beijing Sinotau Juli Technology Development Center (Limited Partnership) (北京先通聚力科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on June 10, 2019 which is controlled by Mr. Xu, as the general partner
"Beijing Sinotau Juxin"	Bejing Sinotau Juxin Technology Development Center (Limited Partnership) (北京先通聚鑫科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on May 16, 2023 which is controlled by Mr. Xu, as the general partner
"Beijing Soft Imaging Medical"	Beijing Soft Imaging Medical Technology Co., Ltd. (北京軟影醫學技術有限公司), a limited liability company established in the PRC on May 28, 2024, and a wholly owned subsidiary of Glotope
"Board" or "Board of Directors"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

"Cerveau"	Cerveau Technologies, Inc., a corporation established in Delaware on February 5, 2016 and an Independent Third Party
"China" or "PRC"	the People's Republic of China, which only in the context of describing PRC rules, laws, regulations, regulatory authority, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this document, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People's Republic of China
"CIC" or "Industry Consultant"	China Insights Industry Consultancy Limited, our industry consultant

"CIC Report"	the industry report commissioned by our Company and independently prepared by CIC, summary of which is set forth in the section headed "Industry Overview" in this document
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技股份有限公司), a joint stock company with limited liability incorporated in the PRC, the predecessor of which was Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技有限公司), a limited liability company established in the PRC on January 24, 2005, and if the context requires, includes its predecessor
"Concert Party Agreement"	the concert party agreement dated July 20, 2020 entered into by Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, pursuant to which the parties agreed, inter alia, that they shall act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For further details, see "History, Development and Corporate Structure – Concert Party Agreement" in this document
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EAR"	United States Export Administration Regulations, 15 C.F.R. Parts 730 -774

"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》)
"EIT"	enterprise income tax
"Employee Shareholding Platform(s)"	Beijing Sinotau Juhui, Beijing Sinotau Juli, Beijing Sinotau Juxin, Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi, or any one of them as the context may require
"Entity List"	the U.S. Department of Commerce, Bureau of Industry and Security's Entity List

[REDACTED]

"Extreme Conditions"	extreme conditions as announced by the Hong Kong Government

[REDACTED]

"General Office of the State Council"	General Office of the State Council of the People's Republic of China (中華人民共和國國務院辦公廳)

[REDACTED]

"Glotope"	Glotope Advanced Pharmaceutical Technology Ltd. (國通(成都)新藥技術有限公司) (formerly known as Sichuan Sinotau Atom Pharmaceutical Technology Co., Ltd. (四川先通原子醫藥科技有限公司)), a limited liability company established in the PRC on June 3, 2019, and a non-wholly owned subsidiary of our Company
"Glotope Mianyang"	Glotope (Mianyang) Advanced Pharmaceutical Technology Co., Ltd. (國通(綿陽)新藥技術有限公司) (formerly known as (Sichuan Sinotau Pharmaceutical Technology Co., Ltd. (四川先通醫藥科技有限公司)), a limited liability company established in the PRC on January 19, 2021, a wholly owned subsidiary of Glotope

"Glotope Wuxi"	Glotope Advanced Pharmaceutical Technology Ltd. Wuxi Branch (國通(成都)新藥技術有限公司無錫分公司), a branch of Glotope established in the PRC on June 6, 2024
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require
"Guangdong Sinotau"	Guangdong Sinotau Molecular Imaging Technology Co., Ltd. (廣東先通分子影像科技有限公司), a limited liability company established in the PRC on August 28, 2017, and a wholly owned subsidiary of Glotope
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange

[REDACTED]

"H Share(s)"	overseas **[REDACTED]** foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and to be **[REDACTED]** on the Hong Kong Stock Exchange
"Henan Glotope"	Henan Glotope New Advanced Pharmaceutical Technology Co., Ltd. (河南國通新藥技術有限公司), a limited liability company established in the PRC on April 26, 2024, a wholly owned subsidiary of Glotope

[REDACTED]

[REDACTED]

"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	IFRS Accounting Standards
"Independent Third Party(ies)"	any person(s) or entity(ies) who/which is not a connected person of the Company within the meaning of the Listing Rules

"International Sanctions"	all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the United Kingdom, the EU and its member states, UN or Government of Australia
"International Sanctions Legal Advisors"	Hogan Lovells, our legal advisors as to International Sanctions laws in connection with the **[REDACTED]**

[REDACTED]

"Jiangsu Sinotau"	Jiangsu Sinotau Molecular Imaging Technology Co., Ltd. (江蘇先通分子影像科技有限公司), a limited liability company established in the PRC on December 13, 2017, and a wholly owned subsidiary of Glotope
"Jiangsu Sinotau Pharmaceutical"	Jiangsu Sinotau Pharmaceutical Co., Ltd. (江蘇先通醫藥有限公司), a limited liability company established in the PRC on May 17, 2023, and a wholly owned subsidiary of or Company

[REDACTED]

"Joint Sponsors"	the joint sponsors as named in the section headed "Directors and Parties Involved in the **[REDACTED]**" in this document
"Latest Practicable Date"	May 16, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)

[REDACTED]

"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Meilleur"	Meilleur Technologies, Inc., a corporation established in Delaware on April 13, 2018 and an Independent Third Party
"Mr. Chu" or "Chu Wei"	Mr. CHU Wei (儲維), our executive Director and a member of the Single Largest Shareholders Group
"Mr. Wang" or "Wang Peng"	Mr. WANG Peng (王鵬), our executive Director and a member of the Single Largest Shareholders Group
"Mr. Xu"	Mr. XU Xinsheng (徐新盛), our executive Director and a member of the Single Largest Shareholders Group

"Mr. Xue" or "Xue Fei"	Mr. XUE Fei (薛飛), a member of the Single Largest Shareholders Group
"Ms. Liu" or "Liu Shuang"	Ms. LIU Shuang (劉爽), a member of the Single Largest Shareholders Group
"Ms. Qi" or "Qi Hui"	Ms. QI Hui (齊慧), a member of the Single Largest Shareholders Group and a close associate of Mr. Xu
"Ms. Tang"	Ms. TANG Yanmin (唐艷旻), our executive Director and a member of the Single Largest Shareholders Group
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NEEQ"	the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司), a PRC over-the-counter system for trading shares of public companies
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

[REDACTED]

"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	Zhong Lun Law Firm, the legal adviser of our Company as to the PRC laws
"PRC Securities Law"	the Securities Law of the People's Republic of China (《中華人民共和國證券法》)
"Pre-**[REDACTED]** Investment(s)"	the investment(s) in our Group undertaken by the Pre-**[REDACTED]** Investors pursuant to the relevant equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the paragraph headed "History, Development and Corporate Structure – The Pre-**[REDACTED]** Investments – Principal terms of the Pre-**[REDACTED]** Investments" in this document

"Pre-**[REDACTED]** Investor(s)"	the investor(s) who acquired interest in our Group pursuant to the relevant equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the paragraph headed "History, Development and Corporate Structure – The Pre-**[REDACTED]** Investments – Principal terms of the Pre-**[REDACTED]** Investments" in this document

[REDACTED]

"Qualified Institutional Buyers" or "QIBs"	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局)
"Sanctioned Person"	certain person(s) and identity(ies) listed on OFAC's Specially Designated Nationals and BlockedPersons List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia
"SCNPC"	the Standing Committee of the National People's Congress of the People's Republic of China (中華人民共和國全國人民代表大會常務委員會)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Sinotau"	Shanghai Sinotau Biotech. Co., Ltd. (上海先通生物科技有限公司), a limited liability company established in the PRC on November 12, 2021, and a wholly owned subsdiary of our Company
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Sichuan Sinotau Pharmaceuticals"	Sichuan Sinotau Pharmaceuticals Co., Ltd. (四川先通醫藥有限公司), a limited liability company established in the PRC on June 18, 2024, and a wholly owned subsidiary of our Company
"Sinotau USA"	Sinotau USA, Inc., a corporation incorporated under the laws of the State of Delaware on October 29, 2015, and a wholly-owned subsidiary of our Company
"Single Largest Shareholders Group"	the AIC Parties and the Employee Shareholding Platforms

[REDACTED]

"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)

[REDACTED]

"State Council"	the State Council of the People's Republic of China (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC (as amended, supplemented or otherwise modified from time to time)

"Tianjin Sinotau Juneng"	Tianjin Sinotau Juneng Technology Development Center (Limited Partnership) (天津先通聚能科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on April 19, 2021 which is controlled by Mr. Xu, as the general partner
"Tianjin Sinotau Juzhi"	Tianjin Sinotau Juzhi Technology Development Center (Limited Partnership) (天津先通聚智科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on April 9, 2021 which is controlled by Mr. Xu, as the general partner
"Track Record Period"	the two years ended December 31, 2023 and 2024
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Shares"	unlisted ordinary Share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed or traded on any stock exchange

[REDACTED]

"%"	per cent

GLOSSARY OF TECHNICAL TERMS

"^{111}In-DTPA-octreotide"	a radiopharmaceutical used for imaging somatostatin receptor-positive tumors
"^{131}I-sodium"	sodium iodide I-131, which is used to treat hyperthyroidism and certain kinds of thyroid cancer
"^{177}Lu-DOTATATE"	a type of peptide receptor radionuclide therapy that consists of the element lutetium and dotatate
"^{68}Ga-DOTATOC"	a radioactive diagnostic PET tracer for the localization of somatostatin receptor positive neuroendocrine tumors in adult and pediatric patients
"^{99m}Tc bone scan"	bone scintigraphy (bone scan) using a ^{99m}Tc-labelled pharmaceutical
"A/T/N"	Amyloid, Tau, Neurodegeneration, an unbiased descriptive classification scheme for Alzheimer's disease biomarkers
"abiraterone"	a hormone therapy used to treat prostate cancer, which blocks androgen production
"active pharmaceutical ingredient" or "API"	the substance in a pharmaceutical product that is biologically active
"AD"	Alzheimer's disease, is a neurodegenerative disease that usually starts slowly and progressively worsens
"ADC"	antibody-drug conjugate, a cancer treatment modality that enables the selective delivery of highly cytotoxic payloads to tumors
"ADCS-MCI-ADL"	Alzheimer's disease cooperative study scale for activities of daily living in mild cognitive impairment
"ADOD"	AD and other dementias
"ADP"	adenosine diphosphate, an important organic compound in metabolism and is essential to the flow of energy in living cells
"ADT"	androgen deprivation therapy, an antihormone therapy whose main use is in treating prostate cancer
"adverse events" or "AE"	any untoward medical occurrences in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment

GLOSSARY OF TECHNICAL TERMS

"ANDA"	abbreviated new drug application. Drugs that qualify for approval through an ANDA are not required to undergo clinical trials, but rely on demonstrating bioequivalence to the reference drug
"Aβ" or "β-amyloid"	The proteolytic products of amyloid precursor protein generated by β- or γ- secretases. They are the main component of the amyloid plaques found in the brains of people with Alzheimer's disease
"biopsy"	a procedure to remove a piece of tissue or a sample of cells from your body so that it can be tested in a laboratory
"BIRC"	blinded independent review committee
"bone matrix"	the extracellular matrix of bone tissue composed of organic and inorganic components
"CABG"	a type of surgery called revascularization, used to improve blood flow to the heart in people with severe coronary artery disease
"CAD"	coronary artery disease, a common type of heart disease. It affects the main blood vessels that supply blood to the heart, called the coronary arteries
"CAGR"	compound annual growth rate, the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan
"CD36"	also known as platelet glycoprotein 4, fatty acid translocase, a protein that in humans is encoded by the CD36 gene
"CDE"	Center for Drug Evaluation, a division of the NMPA
"CDMO"	contract development and manufacturing organization
"CgA"	chromogranin A, a protein commonly secreted by neuroendocrine tumor cells. A blood test measures CgA as a tumor marker
"cGMP"	current good manufacturing practice
"chelator"	an organic chemical that bonds with and removes free metal ions
"chemotherapy"	a drug treatment that uses powerful chemicals to kill fast-growing cells in one's body

GLOSSARY OF TECHNICAL TERMS

"CIMs"	conventional imaging modalities
"Class 1 innovative drug"	Innovative drugs that have not been marketed in China or overseas
"Class 2 chemical drug"	modified new drugs that have not been marketed in China or overseas. They refer to drugs that have their structure, dosage form, formulation and process, route of administration and indications optimized on the basis of known active ingredients and have significant clinical advantages
"Class 3 chemical drug"	drugs manufactured by domestic applicants by imitating the original drugs that have been marketed overseas but not yet in China
"CMC"	chemistry, manufacturing, and controls processes
"CMD"	coronary microvascular dysfunction
"CMO(s)"	contract manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide drug manufacturing services
"CNIPA"	China National Intellectual Property Administration (中華人民共和國國家知識產權局)
"compound(s)"	a substance consisting of two or more elements in union
"COVID-19"	coronavirus disease 2019, a disease caused by the novel virus 2 SARS-CoV-2 and designated as severe acute respiratory syndrome
"CR"	complete response
"CRO(s)"	a contract research organization, who provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CRPC"	castration-resistant prostate cancer, a type of prostate cancer that continues to grow and progress even when testosterone levels in the body are reduced to very low levels through surgical or medical castration
"CT"	computed tomography
"cTn"	cardiac troponin

GLOSSARY OF TECHNICAL TERMS

"CUP-NEN"	cancer of unknown primary – neuroendocrine neoplasm
"CVD"	cardiovascular diseases
"DCR"	disease control rate
"DLT"	dose-limiting toxicity, severe adverse effects that define the maximum tolerated dose of a cancer drug
"DNA"	deoxyribonucleic acid, a self-replicating material which is present in nearly all living organisms as the main constituent of chromosomes. It is the carrier of genetic information
"docetaxel"	a clinically well-established anti-mitotic chemotherapy medication used for the treatment of different types of cancer
"DoR"	duration of response
"DOTATATE"	a form of peptide receptor radionuclide therapy which targets somatostatin receptors
"DOTA-TOC"	a substance which, when bound to various radionuclides, is used in the treatment and diagnosis of certain types of cancer
"DRE"	digital rectal examination, also known as a prostate exam, an internal examination of the rectum
"ECG"	electrocardiogram. A test that records the electrical activity of the heart over a period of time using electrodes placed on the skin
"EMA"	the European Medicines Agency
"enzalutamide"	a nonsteroidal antiandrogen medication which is used in the treatment of prostate cancer
"enzyme"	a biological macromolecule that acts as a catalyst
"ES-SCLC"	extensive-stage small cell lung cancer
"EUS"	endoscopic ultrasound, a procedure that combines endoscopy and ultrasound to examine your gastrointestinal tract and nearby organs

GLOSSARY OF TECHNICAL TERMS

"FAP"	fibroblast activation protein, a protein highly expressed in a wide range of solid tumors while showing limited expression in normal tissues
"FAQ"	functional activities questionnaire
"FCPA"	Foreign Corrupt Practices Act of the United States
"FDA"	The United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
"FDG"	fluorodeoxyglucose, a radiopharmaceutical, specifically a radiotracer, used in the medical imaging, reflects both intrinsic glucose metabolism and the metabolic shift from fatty acid to glucose utilization in infarcted myocardium
"FFAs"	free fatty acids, that provide rapid energy as they are readily available for cellular metabolism, making them easy to be taken up and metabolized by cells
"FFR"	fractional flow reserve, a minimally invasive procedure to figure out how bad the narrowing is in your coronary arteries
"FIH" or "first-in-human"	a type of clinical trial in which a new drug, procedure, or treatment is tested in humans for the first time
"first-in-class"	drugs that use a new and unique mechanism of action for treating a medical condition
"first-line treatment"	the initial, or first treatment recommended for a disease or illness
"GBM" or "glioblastoma"	a type of cancer that starts as a growth of cells in the brain or spinal cord
"GCP"	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
"generic drug"	a pharmaceutical that contains the same active ingredients as an original formulation and is comparable in dosage form, strength, quality, performance and intended use
"GEP-NETs"	gastroenteropancreatic neuroendocrine tumors, a rare type of tumor

GLOSSARY OF TECHNICAL TERMS

"GFA"	gross floor area
"glucose-loaded"	a state or condition in which glucose has been administered or consumed, typically for medical or diagnostic purposes
"glycolysis"	a set of reactions that converts glucose to pyruvate or lactate
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Grade"	when used in connection with adverse events, the term used to refer to the severity of adverse events
"HPLC"	high-performance liquid chromatography, a broad analytical chemistry technique used to separate compounds in a chemical mixture
"hydroxyapatite"	an inorganic mineral with a typical apatite lattice structure
"hyperphosphorylated tau protein"	a specific form of the tau protein that has undergone excessive phosphorylation and has aggregated into small clusters known as oligomers
"IAEA"	International Atomic Energy Agency
"IIT"	investigator-initiated trial, a clinical trial that is conceived, designed, and conducted by an investigator or a group of investigators, rather than by a pharmaceutical company
"*in vitro*"	when used in connection with research, *in vitro* refers to studies conducted outside of a living organism in a laboratory environment using test tubes, petri dishes, etc. using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules

"*in vivo*"	when used in connection with research, *in vivo* refers to studies those in which the effects of various biological entities are tested on whole, living organisms as opposed to a partial or dead organism, or those done *in vitro*
"IND"	investigational new drug, an application and approval process required before drug candidates may commence clinical trials
"indication(s)"	a particular disease that a drug can be used to treat, prevent, or diagnose
"inflammation"	a protective tissue response to injury or destruction of tissues, which serves to destroy, dilute, or wall off both the injurious agent and the injured tissues
"inhibitor"	a chemical or substance added or applied to another substance to slow down a reaction or to prevent an unwanted chemical change
"INPC"	Institute of Nuclear Physics and Chemistry, a part of the China Academy of Engineering Physics (中國工程物理研究院核物理與化學研究所)
"ITLC"	instant thin-layer chromatography, an analytical technique used primarily for the quality control of radiopharmaceuticals
"Ki-67" or "Ki-67 index"	A cell cycle protein typically associated with cell proliferation, often used as a marker in oncology. Its measurement is utilized in pathology to assess the proliferation rate of cells, particularly in cancerous tissues
"KOLs"	key opinion leaders
"LAR"	long-acting repeatable, commonly used in medical contexts to describe formulations of medications that are designed to provide sustained release of the drug over an extended period, typically requiring less frequent dosing
"Lutathera"	a radiolabeled somatostatin analog used for the treatment of somatostatin receptor-positive gastroenteropancreatic neuroendocrine tumors
"lysosomes"	membrane-enclosed organelles that contain an array of enzymes capable of breaking down all types of biological polymers

"mAbs"	monoclonal antibodies, an antibody produced from a cell lineage made by cloning a unique white blood cell
"major regulatory authorities"	the U.S. FDA, EMA of the European Union, NMPA of the PRC, and PMDA of Japan
"MBF"	myocardial blood flow. It refers to the volume of blood flowing through the heart muscle (myocardium) per unit of time, typically measured in milliliters per minute per gram of tissue (mL/min/g)
"mCi"	millicurie, a unit of measure for the radioactivity of a substance
"MCI"	mild cognitive impairment
"mCRPC"	metastatic castration-resistant prostate cancer, an advanced form of prostate cancer that no longer responds to androgen deprivation therapy and has spread beyond the prostate gland to other parts of the body
"MDS"	myelodysplastic syndrome
"MFR"	myocardial flow reserve. It is a ratio that compares MBF during stress (e.g., after administering a vasodilator or during exercise) to MBF at rest
"mHSPC"	metastatic hormone-sensitive prostate cancer
"MIBI"or "^{99m}Tc-MIBI"	technetium-99m sestamibi, which is a commonly used radiopharmaceutical tracer in myocardial perfusion imaging
"mitochondrial DNA"	the small circular chromosome found inside mitochondria, found in all eukaryotic cells, are the powerhouse of the cell
"mitochondrion"	an organelle found in the cells of most eukaryotes to generate adenosine triphosphate, which is used throughout the cell as a source of chemical energy
"MK-6240"	a PET tracer for the *in vivo* quantification of NFTs in AD patients
"MMSE"	Mini-Mental State Examination. It is a widely used clinical screening tool designed to assess cognitive function and detect cognitive impairment, including dementia and Alzheimer's disease
"MOFCOM"	Ministry of Commerce of the People's Republic of China (中華人民共和國商務部)

"molecule"	an electrically neutral group of two or more atoms held together by chemical bonds
"mortality"	death rate, varying by such parameters as age, gender and health
"MAH"	marketing authorization holder, an individual or entity that holds the license/legal authorization to market and distribute a pharmaceutical product in a specific jurisdiction
"MPI"	myocardial perfusion imaging
"MRI"	magnetic resonance imaging
"MTD"	maximum tolerated dose
"NADH"	nicotinamide adenine dinucleotide, a crucial coenzyme found in all living cells
"NDA"	new drug application
"NECs"	neuroendocrine carcinomas, a type of cancer that originates from neuroendocrine cells
"NEN"	neuroendocrine neoplasm, a group of heterogeneous tumors that originate from neuroendocrine cells, which are widely distributed throughout the body
"NET"	neuroendocrine tumors, neoplasms that arise from cells of the endocrine and nervous systems
"neuron(s)"	a specialized cell transmitting nerve impulses
"NFTs"	neurofibrillary tangles, intracellular aggregates of hyperphosphorylated tau protein that are most commonly known as a primary biomarker of Alzheimer's disease
"nmCRPC"	nonmetastatic castration-resistant prostate cancer, is defined by rising PSA levels in patients undergoing ADT, indicating biochemical progression, but without detectable metastases on conventional imaging techniques
"NMPA"	The National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the CFDA

"NPI"	neuropsychiatric inventory
"NPV"	negative predictive value
"NRDL"	China's National Reimbursement Drug List, also known as Drugs Catalogue for the National Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》), which was published by MOHRSS on November 27, 2009 and amended from time to time. The latest version of NRDL was jointly published by National Healthcare Security Administration (國家醫療保障局) and MOHRSS in 2019 and came into force on January 1, 2020
"NSE"	neuron-specific enolase, the γ-subunit of the enolase enzyme involved in the glycolytic pathway and is characteristic of neural cells
"NSTE"	non-ST-segment elevation. It typically refers to abnormalities in the heart's electrical activity without the characteristic ST-segment elevation seen on an electrocardiogram
"ORR"	objective response rate
"OS"	overall survival
"osteoblasts"	cells that form new bones and grow and heal existing bones
"PCI"	percutaneous coronary intervention, a minimally invasive procedure used to open blocked or narrowed coronary arteries
"PD"	pharmacodynamics, the study of how drugs affect organisms physiologically and biochemically, and the factors that influence drug responses
"PET"	positron emission tomography, a non-invasive medical imaging technique that provides detailed information about the metabolic activity within the body
"PET-CT"	positron emission tomography-computed tomography, a sophisticated medical imaging technique that combines the functional information from positron emission tomography with the structural details from computed tomography
"PFS"	progression-free survival

"pharmacology"	the science that deals with the origin, nature, chemistry, effects, and uses of drugs, including pharmacognosy, pharmocokinetics, pharmacodynamics, pharmacotherapeutics and toxicology
"Phase I clinical trial(s)"	Phase I clinical trials aim to test the safety of a new drug candidate
"Phase II clinical trial(s)"	Phase II clinical trials test the new drug candidate on a larger group of patients, to gather information about whether it works and how well it works in the short-term
"Phase III clinical trial(s)"	Phase III clinical trials are for a new drug candidate that has already passed Phases I and II which test the new drug candidate in larger groups of patients, and compare the new drug candidate against an existing treatment or a placebo to see if it works better in practice and if it has important side effects
"PK"	pharmacokinetics, the study of how the body interacts with administered substances, particularly medications, throughout the entire duration of exposure
"placebo"	a substance or treatment with no active therapeutic effect, commonly used in clinical trials as the administered substance for the control group
"PMDA"	Pharmaceuticals and Medical Devices Agency of Japan
"PPGL"	pheochromocytomas and paraganglioma
"PPV"	positive predictive value
"PR"	partial response, defined as at least a 30% but less than 100% decrease in the size of a tumor or the extent of cancer in the body in response to treatment, according to RECIST
"PRRT"	peptide receptor radionuclide therapy, a type of therapeutic radioligand
"PSA"	prostate-specific antigen, a protein produced by both normal and cancerous cells of the prostate gland
"PSADT"	prostate-specific antigen doubling time, a measure of how quickly the level of prostate-specific antigen in the blood is rising

"PSMA"	prostate-specific membrane antigen, a type II integral membrane glycoprotein that was initially characterized by the monoclonal antibody 7E11. It has emerged as a promising diagnostic and therapeutic target due to its high expression in nearly all stages of prostate cancer, including bone and lymph node metastases, while maintaining low expression in normal tissues
"PTP"	pre-test probability, the likelihood that a patient has a particular disease before any diagnostic test is performed
"QCA"	quantitative coronary angiography. It involves the use of specialized computer software to measure the diameter, length, and percentage stenosis (narrowing) of coronary arteries based on the images captured during a coronary angiogram
"R&D"	research and development
"radioligand"	a pharmaceutical product which consists of a radioactive isotope and a cell-targeting compound
"radionuclide"	a class of chemicals where the nucleus of the atom is unstable
"radiotherapy"	a treatment using ionizing radiation, generally provided as part of cancer therapy to either kill or control the growth of malignant cells
"SAEs"	serious adverse events
"SD"	stable disease
"SDS"	summed difference score, which is used to assess the difference in perfusion between the rest and stress phases of a myocardial perfusion scan
"small molecule(s)"	low molecular weight (≤ 1000 daltons) organic compounds that may regulate a biological process, with a size on the order of 1 nm
"somatostatin analog"	a possible treatment to reduce and control high hormone levels
"SoT"	standard of truth
"SPECT"	single photon emission computed tomography, a medical imaging technique that is based on conventional nuclear medicine imaging and tomographic reconstruction methods

"sq.m."	square meter, a unit of area
"SSS"	summed stress score, a numerical value that represents the degree of myocardial ischemia or stress in a patient's heart
"SSTR"	somatostatin receptor, are receptors for the ligand somatostatin, a small neuropeptide associated with neural signaling
"STEMI"	ST-segment elevation myocardial infarction
"SUVR"	standardized uptake value ratio. It is a semi-quantitative measurement commonly used in PET imaging to assess the relative uptake of a radiotracer in a target region of interest compared to a reference region
"SWI"	susceptibility weighted imaging, a type of MRI technique that takes advantage of the magnetic susceptibility differences between tissues
"T2*GRE"	T2-weighted gradient echo, refers to a specific type of MRI sequence. "T2-weighted" emphasizes differences in the T2 relaxation times of tissues, making fluids appear bright and useful for detecting pathology. Gradient echo refers to a fast imaging technique that uses gradient fields instead of a 180° refocusing pulse, which allows for shorter scan times and different image contrasts
"targeting ligand"	a molecule that binds specifically to a receptor or antigen on the surface of a target cell
"tau"	tubulin associated unit, a group of protein that is considered to be associated with Alzheimer's disease and Parkinson's disease
"TEAEs"	treatment-emergent adverse events
"translational medicine"	an area of research that aims to improve human health and longevity by determining the relevance to human disease of novel discoveries in the biological sciences
"TTP"	time to progression
"USPTO"	United States Patent and Trademark Office
"WAC"	wholesale acquisition cost

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully implement and obtain adequate capital resources to fund our business plans, strategies, objectives and goals;
- changes in our customers' preferences, demands and business performance;
- our financial conditions and performance, including our ability to control costs and expenses;
- changes in the competitive landscape of our industries;
- changes to the political, regulatory, economic and business environment in the industry and geographical markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and geographical markets in which we operate;
- global financial markets and economic conditions;
- our dividend policy;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- all other risks and uncertainties described in "Risk Factors".

In some cases, we use the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed "Business" and "Financial Information" in this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

FORWARD-LOOKING STATEMENTS

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

An **[REDACTED]** *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the* **[REDACTED]** *of our H Shares could decline, and you may lose substantial or all of your* **[REDACTED]**.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements."

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR PRODUCTS AND PRODUCT CANDIDATES

Our business and financial prospects depend substantially on the success of our clinical stage and preclinical stage product candidates. If we are unable to successfully complete their clinical development, obtain their regulatory approvals and achieve their commercialization, or if we experience significant delays in doing any of the foregoing, our business will be materially harmed.

Our revenue and profitability are substantially dependent on our ability to complete the development of our product candidates, obtain requisite regulatory approvals and successfully manufacture and commercialize our product candidates. We have invested a significant portion of our efforts and capital resources in the development of our product candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our product candidates in the future.

We cannot guarantee that we will be able to obtain regulatory approvals for our product candidates in a timely manner, or at all. The success of our product candidates will depend on several factors, including but not limited to:

- completion of preclinical studies as well as completion of clinical trials, including successful enrollment of patients and favorable safety and efficacy data obtained;
- obtaining sufficient supplies of any products that are used in combination with our product candidates, competitor products or comparison products that may be necessary for use in clinical trials for evaluation of our product candidates;
- establishing sufficient commercial manufacturing capabilities;
- the performance by CROs or other third parties we may retain to conduct clinical trials and preclinical studies of their duties to us in a manner that complies with our protocols and applicable laws without damaging or compromising the integrity of the resulting data;

- obtaining, maintaining, and enforcing patent, trademark, trade secret, and other intellectual property protection and regulatory exclusivity for our product candidates;
- ensuring we do not infringe, misappropriate or otherwise violate the patents, trademarks, trade secrets or other intellectual property rights of third parties, and successfully defend against any claims by third parties that we have infringed, misappropriated or otherwise violated any intellectual property of any such third party;
- receipt of regulatory approvals from applicable regulatory authorities;
- successfully launching commercial sales of our product candidates, if and when approved;
- obtaining and maintaining favorable reimbursement from third-party payers for our product candidates, if and when approved;
- success and sufficient market demand of our products; and
- continued acceptable safety profiles of our product candidates following regulatory approvals.

If we do not achieve one or more of these in a timely manner or at all, we could experience significant delays or difficulties in obtaining approvals for and commercializing our product candidates, which would materially harm our business and may prevent us from generating sufficient revenues and cash flows to continue our operations.

We invest substantial resources in research and development in order to develop our product candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.

The radiopharmaceutical industry is constantly evolving and in order to maintain our competitive position, we need to devote significant financial and other resources to our research and development activities to keep up with new technologies and methodologies. For example, we have made significant efforts to develop our technology platforms, which allow us to continuously enhance efficiency of clinical trials and develop a strong pipeline of product candidates. In 2023 and 2024, our research and development expenses were RMB297.0 million and RMB228.0 million, respectively. We intend to continue to enhance our technical capabilities in drug discovery, development and manufacturing, which are capital-and-time-intensive. We cannot assure you that we will be able to successfully identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our technology platforms and product candidates, and harm our business and prospects.

Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials and commercializing our product candidates on a timely basis.

Commencement of a clinical trial is subject to finalizing trial design based on ongoing discussions with the NMPA or other regulatory authorities. We cannot assure you as to when the clinical trials for our product candidates in discovery and preclinical stages will begin, if at all. The successful completion of clinical trials is an essential requirement to obtain NDA or similar approvals from the NMPA or other comparable regulatory authorities for each of our product candidates and, ultimately, the commercialization of our product candidates. Clinical trials, however, come with an expense, are challenging to plan and carry out, and can take years to finish with no guarantee of success. Failure can occur at any time or stage during the clinical development process, which would result in a material and adverse effect on our business, financial condition and results of operations.

We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approvals for the development and commercialization of our product candidates, including but not limited to situations whereby:

- regulators, ethics committees, or other designated review bodies may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;

- the patient enrollment may be insufficient or slower than we anticipate or patients may drop out or fail to return for post-treatment follow-up at a higher rate than anticipated, or the number of patients required for clinical trials of our product candidates may be larger than we anticipate;

- we may not be able to reach agreements on acceptable terms with prospective third-party contractors and they may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;

- we may have to suspend or terminate clinical trials of our product candidates for various reasons, including non-compliance with regulatory requirements, a finding of a lack of meaningful clinical responses, a finding that participants are being exposed to unacceptable health and safety risks or other unexpected characteristics;

- the costs of clinical trials of our product candidates may be substantially higher than anticipated; and

- we may encounter various manufacturing issues, including inability to ensure that the supply and quality of our product candidates and other materials necessary to conduct clinical trials of our product candidates is sufficient and adequate.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, or if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may:

- be delayed in obtaining regulatory approval for our product candidates or not obtain regulatory approval at all;
- obtain approval for proposed indications that are not as broad as intended;
- have the product removed from the market after obtaining regulatory approval;
- be subject to additional post-marketing testing requirements; or
- be subject to restrictions on how the product is distributed or used.

Delays in clinical trials or obtaining regulatory approvals may result in increases in our product development costs. We cannot assure you whether any clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant delays in clinical trials could also shorten any periods during which we have the right to commercialize our product candidates or allow our competitors to bring products to market before we do, which could impair our ability to commercialize our product candidates and may have an adverse effect on our business and results of operations.

If we encounter difficulties in enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients in the clinical trials. We may fail or experience significant delays to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the NMPA or similar regulatory authorities. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials.

Patient enrollment for our clinical trials may be affected by many factors. For example, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in the clinical trials of our competitors' product candidates. Other factors include:

- severity of the disease under investigation;
- total size and nature of the relevant patient population;
- design and eligibility criteria for the clinical trial in question;

- perceived risks and benefits of the product candidate under study;
- the ability to obtain and maintain informed consents;
- the risk that enrolled patients will not complete a clinical trial;
- clinicians' and patients' perceptions as to the potential advantages and risks of the candidate being studied compared to other available therapies, including any new products that may be approved for the indications we are investigating as well as any candidates under development;
- patient referral practices of physicians;
- our investigators' or clinical trial sites' efforts to screen and recruit eligible patients;
- proximity and availability of clinical trial sites for prospective patients; and
- epidemics.

Failure to enroll a sufficient number of patients in our clinical trials on a timely manner could prevent completion of our trials and adversely affect our ability to advance the development of our product candidates.

Adverse events or undesirable side effects caused by our product candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved product, or result in other significant negative consequences.

AEs and undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a narrowed scope of indications or a more restrictive label of our product candidates, a delay or denial of regulatory approval by the NMPA or other comparable regulatory authorities, or a significant change in our clinical protocol or even our development plan. Results of trials conducted by us or by our collaborating partner with respect to our licensed product candidate (if any) could reveal a high and unacceptable severity or prevalence of certain AEs. In such an event, such trials could be suspended or terminated, and the NMPA or other comparable regulatory authorities could order us or our collaborating partner, as applicable, to cease further development of, or deny approval of, our product candidates for any or all targeted indications. AEs related to our product candidates may also affect patient enrollment or the ability of enrolled patients to complete the trial, and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

Additionally, any AEs or undesirable side effects caused by our product candidates after they receive regulatory approval may lead to potentially significant negative consequences which include, but are not limited to, the following:

- regulatory authorities may withdraw approvals or revoke licenses of our approved product candidates;
- we, or our collaborating partner, as applicable, may have to suspend marketing of our approved product candidates;
- regulatory authorities may require additional warnings on the label of an approved product candidate or impose other limitations on an approved product candidate;
- the NMPA or a comparable regulatory authority may require the establishment of a Risk Evaluation and Mitigation Strategy, or other similar plans, which may restrict distribution of our approved product candidates and impose burdensome implementation requirements on us, among other risk mitigation tools;
- we, or our collaborating partner, as applicable, may be required to change the way the product candidate is administered, or conduct post-marketing studies;
- we could be subject to litigation proceedings and held liable for harm caused to patients exposed to or taking our product candidates, who may suffer from adverse events related to the treatment; and
- our reputation may suffer.

Any of the abovementioned events could prevent us or our collaborating partner, as applicable, from achieving or maintaining market acceptance of any particular product candidate that is approved and could significantly harm our business, financial condition, results of operations and prospects.

Findings and results of pre-clinical studies or early clinical trials may not be predictive of future trial results.

The findings and results of preclinical studies or early clinical trials may not be predictive of the success of later phase clinical trials, and favorable initial or interim results of a clinical trial do not necessarily predict successful final results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. As product candidates are developed through preclinical to early-to late-stage clinical trials towards approval and commercialization, it is customary that various aspects of the development programs, such as manufacturing and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the inherent risks that they may not necessarily achieve the intended objectives.

In some instances, there can be significant variability in safety and/or efficacy results among different trials of the same product candidate due to numerous factors, including, but not limited to, changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, including ethnical and genetic differences, patient adherence to the dosing regimen and other trial protocol elements, the rate of dropout among clinical trial participants, and other compounding factors, such as other medications or pre-existing medical conditions. In the case of any trials we conduct, results may differ from earlier trials due to, among other things, the larger number of clinical trial sites, additional countries and languages involved in such trials, the different conductors of the trials, different clinical trial standards required in different jurisdictions, different patient population, and different standard of care and pretreatment of patients before enrolling in such trials. Any of these changes could make the results of planned clinical trials or other future clinical trials we may initiate less predictable and could cause our product candidates to perform differently, which could delay completion of clinical trials, delay approval of our product candidates and/or jeopardize our ability to commence commercialization of our product candidates.

We may allocate our limited resources to pursuing particular product candidates or indications and fail to capitalize on other product candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.

As we have limited financial and managerial resources, we focus our product pipeline around our strategically focused three areas. As a result, we may forgo or delay pursuit of opportunities with other product candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain development and commercialization rights to such product candidate, or we may allocate internal resources to a product candidate in an area in which it would have been more advantageous to enter into a partnering arrangement.

We may not be able to identify, discover or develop new product candidates, or to identify or develop new indications for our product candidates, or to expand or maintain our product pipeline.

Although we expect to focus a substantial amount of our efforts on the continued clinical testing, potential approval, and commercialization of our existing product candidates, the success of our business depends in part upon our ability to identify, discover, develop or commercialize additional product candidates, or to identify or develop new indications for our product candidates. Some product candidates are technically challenging to develop and manufacture. We may consider pursuing collaboration with third parties in the discovery and development of potential product candidates, but we cannot assure you that such collaboration will be able to deliver the intended results.

Research programs to identify new product candidates and to develop our product candidates for additional indications require substantial technical, financial and human resources. Our research programs may initially show promising results in identifying potential indications and/or product candidates, yet fail to yield results for clinical development for a number of reasons, including, without limitation, the following:

- our research or business development methodology or search criteria and process may be unsuccessful in identifying potential indications and/or new product candidates; and

- our potential product candidates may, after further study, be shown to have harmful side effects or may have other characteristics that may make the product candidates unlikely to achieve desired efficacy, unmarketable or unlikely to receive marketing approval.

Accordingly, there can be no assurance that we will be able to identify new product candidates or develop new indications for our product candidates or to develop suitable potential product candidates through internal research programs. We may invest efforts and resources in potential product candidates or indication expansions that ultimately prove to be unsuccessful. Any of the foregoing events will have a material adverse effect on our business, results of operations and prospects.

The data and information that we gather in our research and development process could be inaccurate or incomplete, which could harm our business, reputation, financial condition and results of operations.

We collect, aggregate, process, and analyze data and information from our preclinical studies and clinical trials. We also engage in substantial information gathering following the identification of a promising product candidate. Because data in the pharmaceutical industry is fragmented in origin, inconsistent in format, and often incomplete, the overall quality of data collected or accessed in the pharmaceutical industry is often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and we often discover data issues and errors when monitoring and auditing the quality of our data. If we make mistakes in the capture, input, or analysis of these data, our ability to advance the development of our product candidates may be materially harmed and our business, prospects and reputation may suffer.

We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our product candidates, for which we manage and submit data to governmental authorities. These processes and submissions are governed by complex data processing and validation policies and regulations. Notwithstanding such policies and regulations, interim, top-line or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data, in which case we may be exposed to liability to a patient, court or government agency that concludes that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous. The insurance coverage for clinical trials may prove to be inadequate or could cease to be available to us on acceptable terms, or at all. Even unsuccessful claims could result in substantial costs and diversion of management time, attention, and resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In addition, we rely on certain third parties, such as CROs, to monitor and manage data for some of our ongoing preclinical studies and clinical trials and control only certain aspects of their activities. If any of our CROs or other third parties do not perform to our standards in terms of data accuracy or completeness, data from those preclinical and clinical trials may be compromised as a result, and our reliance on these parties does not relieve us of our regulatory responsibilities. For a detailed discussion, please see "– Risks Relating to Our Reliance on Third Parties – We work with various third parties to develop our product candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our product candidates, and our business could be harmed."

In conducting drug discovery, development and commercialization, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical trials and any future commercialization of our product candidates. For example, we may be sued if our product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable laws and regulations.

Liability claims may result in injury to our reputation, withdrawal of clinical trial participants and inability to continue clinical trials, initiation of investigations by regulators, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients, product recalls, withdrawals, or labeling, marketing or promotional restrictions, loss of revenue, exhaustion of any available insurance and our capital resources, decreased market demand for approved product candidates, the inability to commercialize any approved product candidate, and a decline in the **[REDACTED]** of our H Shares.

To cover such liability claims arising from clinical studies, we purchase clinical trial insurance to cover adverse events in our clinical trials. It is possible that our liabilities could exceed our insurance coverage or that our insurance will not cover all situations in which a claim against us could be made. We may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims are brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired. Should any of these events occur, it could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to obtain approval from the NMPA, or other comparable regulatory authorities for our drug candidates to be eligible for an expedited registration pathway as innovative or breakthrough therapy, the time and cost we incur to obtain regulatory approvals may increase.

The NMPA, and the comparable regulatory authorities in other jurisdictions may have implemented expedited review programs for drug candidates, among others, which are innovative drug applications, or which treat a serious or life-threatening condition and provide meaningful therapeutic benefit over available therapies. The NMPA's Breakthrough Therapy Designation, for example, is intended to facilitate and expedite the development and review of an investigational drug to treat a serious disease or condition when preliminary clinical evidence indicates that the drug has demonstrated substantial improvement over current therapies.

We plan to apply for expedited review programs for certain of our product candidates. There can be no assurance, however, that the regulatory authorities will consider granting expedited review programs for our product candidates. Any failure to obtain accelerated approvals or any other form of expedited development, review or approvals for our product candidates could result in a longer period of time prior to the commercialization of such drug candidate, an increase in the development expenses for such product candidate and an adverse impact on our competitive position in the market.

RISKS RELATING TO SALES AND COMMERCIALIZATION OF OUR PRODUCTS AND PRODUCT CANDIDATES

We face intense competition and our competitors may discover, develop or commercialize competing products faster or more successfully than we do, which may adversely affect our revenue and profitability and our ability to successfully commercialize our product candidates.

The radiopharmaceutical industry is subject to fierce competition and rapid and significant technological advancements. We face competition with respect to our current products and product candidates from existing products and product candidates under development in the relevant market, and we will face competition with respect to any product candidates that we may seek to develop or commercialize in the future. Some of the competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches.

Even if successfully developed and subsequently approved by the NMPA or other comparable regulatory authorities, our product candidates may still face competition in various aspects, including safety and efficacy, the timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price and patent status. The radiopharmaceutical industry is currently focused on a limited number of radionuclides, targets and indications, which may lead to inevitable competition. See "Industry Overview." Many of our competitors against which we are competing or against which we may compete may have substantially greater financial, technical and human resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Additional mergers and acquisitions in the radiopharmaceutical industry may result in even more resources being concentrated in our competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our competitors may succeed in developing competing products and obtaining regulatory approvals before us or achieve better acceptance in the markets in which we operate or have established a competitive position. If any of our competitors obtains regulatory approvals for products that may compete with our Core Products or other product candidates, we may lose our potential first-mover advantage for certain indications and result in negative impact on our financial performance.

Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors may succeed in developing, acquiring, or licensing products that are more effective or less costly than our product candidates or any future product that we may develop, or achieve earlier patent protection, regulatory approvals, product commercialization, and market penetration than we do. Our competitors also may obtain approval from the NMPA or other regulatory authorities for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. They may cause us to experience delay in obtaining regulatory approval for our product candidates or render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates.

We have limited experience in the commercialization of pharmaceutical products. If we are unable to maintain and expand an effective sales network for our products and future approved product candidates, we may not be able to successfully create or increase market awareness of our products and future approved product candidates, which could negatively affect our ability to effectively sell them and would materially and adversely affect our business, results of operations, financial condition and prospects.

We rely on our in-house sales and marketing team and engage third parties to market, promote and distribute our products. For details, see "Business – Marketing and Sales." As we have just commenced commercial sales of 歐達樂® in 2023 and XTR005 (歐韋寧®) in 2025, respectively, we do not have a proven track record of successfully marketing or selling our products. We have limited experience in building a commercial team, conducting a comprehensive market analysis, obtaining licenses and approvals, or managing sales force for our products and future approved product candidates.

Sales efforts of pharmaceutical products necessitate our sales and marketing force to possess a relatively high level of technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant therapeutic areas and products, as well as sufficient promotion and communication abilities. However, there is no assurance that there will be a sufficient amount of competent sales professional with the relevant disease knowledge and/or academic KOLs or doctor networks available in the market. As a result, if we are unable to effectively train our in-house sales representatives or monitor and evaluate their academic marketing performances, our sales and marketing may be less successful than desired. Moreover, our ability to attract, motivate and retain a sufficient number of qualified sales professionals is especially important because we primarily rely on our in-house sales force to market our products. As competition for experienced marketing, promotion and sales personnel is intense, we may be unable to attract, motivate and retain a sufficient number of marketing, promotion and sales professionals. Consequentially, sales volume of our products may be adversely affected and we may be unable to expand our coverage of hospitals, pharmacies and other medical institutions or increase our market penetration as contemplated.

The size of the potential market for our current or future products and product candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our current or future product candidates may be smaller than our estimates.

Our projections of the number of patients who have the potential to benefit from treatment with our products and product candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research and may prove to be incorrect. Given the high costs of raw materials, the price of our radiopharmaceutical products when approved for marketing may be high, which may lead to a limited patient population with the ability to afford. Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our product candidates may be smaller than our estimates.

In addition, there is no guarantee that any of our products and future approved product candidates would be approved for the indications we are aiming for. For indications with well-established standard of care therapies, the NMPA and other comparable regulatory authorities may approve new therapies initially only for later lines of therapy. While we may seek approval for our product candidates as an early-line therapy for certain indications, there is no guarantee that they will be approved as such. As a result, even if we obtain market approval for our product candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

Our products and future approved product candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community that would be necessary for our product candidates' commercial success.

Our products and future approved product candidates may fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. It may also take a longer time and more effort in education and promotion to establish market acceptance of our products and future approved product candidates as there is no commercialized domestically-developed radioligand therapy in China as of the Latest Practicable Date. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our products and future approved product candidates are approved;
- physicians, hospitals and patients' perception of our product candidates as a safe and effective treatment;
- the potential and perceived advantages of our product candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of applicable regulatory authorities;
- limitations or warnings contained in the labeling approved by applicable regulatory authorities;
- the timing of market introduction of our product candidates as well as competitive products;
- the cost of treatment in relation to alternative treatments;
- the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payors and government authorities; and
- the effectiveness of our sales and marketing efforts.

If any approved product candidates that we commercialize fail to achieve market acceptance in the medical community, we will not be able to generate significant revenue. Even if our future approved product candidates achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies introduced that are more favorably received or more cost-effective. Our failure to achieve or maintain market acceptance for our future approved product candidates would materially adversely affect our business, financial condition, results of operations and prospects.

Our product candidates may not be covered by insurance or reimbursement programs or may become subject to unfavorable insurance policies or reimbursement practices, either of which could harm our business, and we may be subject to unfavorable pricing regulations, which could make it difficult for us to sell our products profitably.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from jurisdiction to jurisdiction. We intend to seek approval to market our product candidates in China and in other jurisdictions. In China and some markets outside China, the pricing of drugs is subject to governmental oversight and regulation, which can take considerable time even after obtaining regulatory approval. Thus, our ability to commercialize any approved product candidates successfully will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations.

A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. In China, the National Healthcare Security Administration and the Ministry of Human Resources and Social Security, together with other government authorities, regularly review the inclusion or removal of drugs from the NRDL. The NRDL determines a pharmaceutical product's reimbursement standards for program participants under the National Medical Insurance Program. Under the National Medical Insurance Program, patients are entitled to full or partial reimbursement of costs for pharmaceutical products listed in the NRDL. A pharmaceutical product's inclusion in or exclusion from the NRDL and its tier under the NRDL will significantly affect the demand for such product in China. There is no assurance that any of our future approved product candidates will be included in the NRDL, especially considering that there is no commercialized domestically-developed radioligand therapy in China as of the Latest Practicable Date. The inclusion of pharmaceutical products by relevant authorities into the NRDL is based on a variety of factors, including efficacy, safety and price. If we were to successfully launch commercial sales of our products but fail in our efforts to have our products included in the NRDL, our revenue from commercial sales would be highly dependent on patient self-payment, which may make our products less competitive. Patients may choose other drugs with similar efficiency but lower prices which have been included in the NRDL. Additionally, even if the Ministry of Human Resources and Social Security of China or any of its local counterparts were to accept our application for the inclusion of products in the NRDL, our potential revenue from the sales of these products could still decrease as a result of the significantly lowered prices we may be required to charge for our products to be included in the NRDL.

Even if we obtain coverage for a given product, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payers may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our future approved product candidates. Patients are unlikely to use any of our future approved product candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the products.

Increasingly, third-party payers are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any approved product candidates that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any approved product candidates that we commercialize. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidates that we successfully develop.

There may be significant delays in obtaining reimbursement for approved product candidates, and reimbursement coverage may be more limited than the approved indications of the product candidates by the NMPA or other comparable regulatory authorities. Moreover, eligibility for reimbursement does not imply that any product will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture and sale. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on payments allowed for lower cost drugs that are already reimbursed, and may be incorporated into existing payments for other services. Our inability to promptly obtain reimbursement coverage at profitable payment rates from both government-funded and private payers for any future approved product candidates and any new products that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

Real or perceived incidents of severe side effects caused by our products or future approved product candidates could materially and adversely affect our reputation and results of operations.

Our products and future approved product candidates may cause undesirable or unintended side effects as a result of a number of factors, many of which are outside our control. These factors include potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by our quality management system, misuse of our products and future approved product candidates by end-users.

Further, our products and future approved product candidates may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar active pharmaceutical ingredients, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects, or if regulators or international institutions determine that products containing the same or similar pharmaceutical ingredients as our products' could cause or lead to severe side effects. Our products and future approved product candidates may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable.

If our products and future approved product candidates cause, or are perceived to cause, severe side effects, we may face a number of consequences, including, but not limited to: (i) injury or death of patients; (ii) a severe decrease in the demand for, and sales of, the relevant products; (iii) recall or withdrawal of the relevant products; (iv) revocation of regulatory approvals for the relevant products or the relevant production facilities; (v) damage to the brand name of our products and the reputation of our Company; (vi) stricter and more frequent regulatory inspections of our production facilities and

products; (vii) removal of relevant products and future approved product candidates from any medical insurance reimbursement lists; (viii) inability to participate in the centralized tender process; (ix) exposure to lawsuits and regulatory investigation relating to the relevant products and future approved product candidates that result in liabilities, fines or penalties; and (x) breach of contract with our major customers. Such incidences may cause negative publicity and have material adverse impact on our business and results of operations.

Adverse drug reactions and negative results from off-label use of our products or future product products could materially harm our business reputation, product brand name, financial condition and expose us to liability.

Products distributed or sold in the radiopharmaceutical market may be subject to off-label drug use, i.e., prescribing a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. As such, there remains the risk that our products and future approved product candidates are subject to off-label drug use and are prescribed in a patient population, dosage or dosage form that has not been approved by competent authorities, rendering our products and future approved product candidates less effective or entirely ineffective and causing adverse drug reactions. Any of these occurrences can create negative publicity and significantly harm our business reputation, product brand name, commercial operations and financial condition, including our **[REDACTED]**.

Guidelines, recommendations and studies published by various organizations could disfavor our products and product candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' products and product candidates. Any such guidelines, recommendations or studies that reflect negatively on our product candidates, either directly or relative to our competitive product candidates, could result in current or potential decreased use, sales of, and revenues from one or more of our products and product candidates. Furthermore, our success depends in part on our and our partners' ability to educate healthcare providers and patients about our products and product candidates, and these education efforts could be rendered ineffective by, among other things, third-parties' guidelines, recommendations or studies.

RISKS RELATING TO MANUFACTURING OF OUR PRODUCTS AND PRODUCT CANDIDATES

We have limited experience in manufacturing radiopharmaceutical products on a large commercial scale, and our business could be materially and adversely affected if we encounter problems in manufacturing our products and future approved product candidates.

As of the Latest Practicable date, we had two manufacturing facilities in operation located in Wuxi, Jiangsu Province and Zhongshan, Guangdong Province for the manufacturing of our products and product candidates and our CDMO services. In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province, which is expected to commence operations in the third quarter of 2025. However, as we have begun providing CDMO services since 2023 and manufacturing our commercialized products since 2025, our experience in manufacturing radiopharmaceutical products on a commercial scale is limited. The manufacture of radiopharmaceutical products on a commercial scale is a complex process requiring significant expertise and capital investment, in part due to strict regulatory requirements. The problems that may arise from the manufacturing process include but are not limited to:

- equipment malfunction;
- failure to follow specific protocols and procedures;
- changes in product specification;
- low quality or insufficient supply of raw materials, such as radioisotopes;
- delays in the construction of new manufacturing facilities or the expansion of our existing manufacturing facility;
- changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements;
- changes in the types of products produced;
- advances in manufacturing techniques;
- physical limitations that could inhibit continuous supply; and
- man-made or natural disasters and other environmental factors.

If problems arise during the production process of certain future products, a batch or several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the products are released to the market, recall and product liability costs may also be incurred.

We face additional manufacturing risks in relation to the CMOs that we engage from time to time. See "– Risks Relating to Our Reliance on Third Parties – We rely on third parties to manufacture a portion of our products for clinical development and commercial sales, and our business could be harmed if those third parties fail to provide us with sufficient quantities of the products or fail to do so at acceptable quality levels or prices."

In addition, the quality of our products manufactured by us for commercial use in the future depends significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes used in manufacturing facility, the quality and reliability of equipment used, the quality of the operating staff and related training programs and our ability to ensure that our staff adhere to our quality control and quality assurance procedures. Although we are making our best efforts, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our standard operating procedures will be complete or updated at all times. Any significant failure or deterioration of our quality control and quality assurance procedures could render our products unsuitable for use, or not in compliance with the relevant requirements of the cGMP and/or harm our market reputation and relationships with business partners. Any such developments may have a material adverse effect on our business, financial condition and results of operations.

Damage to, destruction of or interruption of production at our manufacturing facilities could affect our development plans for our product candidates, commercialization plans for our products or future approved product candidates or ability to providing CDMO services.

Our manufacturing facilities are required to obtain and maintain regulatory approvals, including being subject to ongoing, periodic inspection by the NMPA or other comparable regulatory authorities to ensure compliance with cGMP regulations. We cannot guarantee, however, that we will be able to adequately follow and document our adherence to such cGMP regulations or other regulatory requirements. Remediating deficiencies, if any, can be laborious, time consuming and costly. Failure to obtain and maintain such regulatory approvals may materially affect our R&D activities, seriously delay the clinical trials and commercialization of our products and product candidates, once approved, and cause interruption to our CDMO business. We may also encounter problems with achieving adequate or clinical-grade products that meet the NMPA or other comparable regulatory agency standards or specifications, maintaining consistent and acceptable production costs. We may also experience shortages of qualified personnel, raw materials or key contractors, or experience unexpected damage to our facilities or equipment. In these cases, we may be required to delay or suspend manufacturing activities. We may be unable to secure temporary, alternative manufacturers with the terms, quality and costs acceptable to us, or at all. Such an event could delay our clinical trials, affect the availability of our products for commercial sale and/or cause delays in delivering products to our CDMO customers. Moreover, we may spend significant time and costs to remedy these deficiencies before we can continue production at our manufacturing facilities. We may also be subject to sanctions for failure to comply with applicable regulations, including fines, injunctions, penalties, suspension of clinical trials, failure of regulatory authorities to grant marketing approval of our product candidates, suspension or withdrawal of approvals, supply disruptions, seizures or recalls of our product candidates, operating restrictions and criminal prosecutions, any of which could materially and adversely affect our business.

In addition, if our manufacturing facilities or the equipment in them are damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted loss of the manufacturing facilities or equipment, we might not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements and we would need regulatory agency approval before selling any products manufactured at that facility. Such an event could delay our clinical trials, reduce our product sales or cause the loss of our CDMO customers. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials, commercialization or CDMO services. Any disruption that impedes our ability to manufacture product candidates or products in a timely manner could materially and adversely affect our business, financial condition and operating results.

The just-in-time manufacturing of our radiopharmaceutical products and product candidates relies on the reliability of equipment and processes, the timely receipt of radioactive raw materials and the timely shipment of finished goods, and require us to organize more production facilities for radiopharmaceutical products manufacturing.

As a majority of our radiopharmaceutical products and product candidates rely on radioisotopes with limited half-lives, we or our partners must manufacture, finish and distribute these products and product candidates on a just-in-time basis. For example, the validity period of XTR005 (歐韋寧®) is ten hours, requiring that this product be manufactured and delivered to hospitals in a timely manner. Any delay in us receiving radioisotopes from suppliers or being able to have finished products delivered to customers because of weather or other unforeseen transportation issues could have a negative effect on our business, results of operations, financial condition and cash flows.

In addition, due to the short shelf life of radiopharmaceutical products, the geographic coverage of each production facility is limited. Therefore, we need to build more of our own production facilities or engage more CMOs to produce our radiopharmaceutical products in order to cover a sufficiently broad market. Building more of our own production facilities requires a substantial financial investment, and exposes us to the risk of not being able to effectively manage production capacity of our own production facilities. Engaging more CMOs requires us to dedicate significant effort to CMO management and coordination. At the same time, the timely production and delivery of our radiopharmaceutical products will depend on the operational stability of each CMO we engage.

We may not be able to meet the increasing demand for our products or future approved product candidates by ensuring that we have adequate manufacturing capacity, to increase our production capacity as planned, or to successfully manage our anticipated growth.

To produce our increasing number of products and product candidates, if approved, in the quantities that we believe will be required to meet anticipated market demand, we may need to increase, or "scale up," our production capacity over the initial level of production by constructing new manufacturing facilities and production lines. However, our ability to successfully implement our expansion plan for increasing production capacities is subject to a number of risks and uncertainties, including, but not

limited to, the risk of construction delays and delays in equipment procurement, and our ability to timely recruit sufficient qualified staff to support the increase in our production capacity. If we are unable to do so, the cost of this scale up is not economically feasible for us, and we may not be able to product our future approved product candidates in sufficient quantities to meet future demand. Moreover, our plans to increase our production capacities require significant capital investment, and the actual costs of our expansion plan may exceed our original estimates, which could adversely affect the return on our expenditure.

Furthermore, given the size of our existing and planned manufacturing facilities, we may not be able to fully utilize them immediately or within a reasonable period of time after we commence operation. During the construction and ramp up period, there may be significant changes in the macroeconomics of the radiopharmaceutical industry, including, among other things, market demand, product and supply pricing trends and customer preferences. Any adverse trends in these respects could result in operational inefficiency and unused capacity in our facilities.

We procure radioisotopes and other raw materials from third-party suppliers for our manufacturing needs. Such supplies may not be available to us on acceptable terms or at all, and an increase in the market prices of such supplies may adversely affect our results of operations.

We procure raw materials, such as radioisotopes, from third-party suppliers around the world for our manufacturing needs. We expect to continue to procure raw materials from third-party suppliers for the research, development and commercialization of our products and product candidates. As we continue to develop and scale our manufacturing process and capacity, there is no assurance that we will be able to, at all times, procure the materials we need in adequate amount or on commercially reasonable terms, in a timely manner or at all. We might in the future encounter temporary difficulties in sourcing key raw materials as a result of various reasons, such as health epidemics or outbreaks of contagious diseases as well as natural disasters, regulatory actions or requirements affecting certain supplier(s), adverse financial or other strategic developments experienced by certain supplier(s), labor disputes or shortages, unexpected demands, or quality issues. In addition, since we currently procure and plan to continue procuring radioisotopes produced by foreign manufacturers, the changes in international trade and political relations, as well as the import and export regulations of relevant countries may affect our radioisotope procurement. Failure to obtain sufficient supply of these materials could adversely affect our ability to satisfy demand for our product candidates, which could adversely and materially affect our development process, future commercialization efforts and operating results.

Furthermore, as our manufacturing processes require substantial amounts of supplies, fluctuations in price of such supplies may directly and adversely impact on our profitability. During the Track Record Period, we had not experienced significant fluctuations in prices of supplies, and they are generally available and in sufficient quantity to meet our demands. However, we cannot assure you that this will continue to be the case in the future. The prices of supplies we use in manufacturing our products and product candidates may be affected by a number of factors, including market supply and demand, the PRC or international environmental and regulatory requirements, natural disasters such as fires, outbreak of epidemics or diseases, and the PRC and global economic conditions. A significant increase in the costs of supplies may directly and negatively affect our profit margins and, ultimately, our business, financial conditions, results of operation and prospects.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We may not realize any or all benefits of collaboration, alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

As an essential component of our research and development model, we have entered into a series collaboration and licensing arrangements concerning our pipeline assets. For more details, see "Business – Collaboration Arrangements."

The abovementioned collaborations involving our products and product candidates are subject to numerous risks, which may include the following:

- the collaboration or licensing arrangements may be terminated upon a short notice, or if we breach our representations and warranties as set out in the agreements. Under such circumstance, we will be obligated to pay compensation and damage to collaboration partners. In addition, termination of the collaboration arrangements may result in a need for additional capital to pursue further development or commercialization of the relevant product candidate;

- collaboration partners may have significant discretion in determining the efforts and resources that they will apply under the collaboration arrangements;

- collaboration partners may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization projects based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;

- collaboration partners may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials, or require a new formulation of a product candidate for clinical testing;

- collaboration partners could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates or future products;

- collaboration partners may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigations that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- collaboration partners may own intellectual property covering our product candidates or future products that arise from the collaboration arrangements with them, in such cases we will not have exclusive right over such intellectual property; and

- disputes may arise between us and collaboration partners that cause the delay or termination of the research, development or commercialization of our product candidates, or that result in costly litigation or arbitration that diverts management attention and resources.

For these and other reasons, we may not achieve the outcomes and synergies expected from the collaboration arrangements. The collaboration arrangements are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. We may face operational and financial risks including increase in near-and long-term expenditures, exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention. Even if we achieve the expected benefits, we may not be able to do so within the anticipated time frame.

As we expect to seek and form additional collaborations or strategic alliances in the future, we face significant competition in seeking appropriate strategic partners and the negotiation process can be time-consuming and complex. We may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our product candidates because they may be deemed to be at too early of a stage of development for collaborative effort, and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for development and commercialization of a product candidate, we may be required to relinquish some or all of the control over the future success of that product candidate to the third party. The collaborators may also consider alternative product candidates or technologies that may be available. For any product candidates that we may seek to in-license from third parties, we may face significant competition from other radiopharmaceutical companies with greater resources or capabilities than us, and any agreement that we do enter into may not result in the anticipated benefits. See also "– Risks Relating to Our Operations – We may engage in acquisitions or strategic partnerships in the future, which may increase our capital requirements, cause dilution for our Shareholders, cause us to incur debt or assume contingent liabilities or subject us to other risks."

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into license and collaboration arrangements or do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market and generate product sales revenue, which would harm our business, financial condition, results of operations and prospects.

As a result, we cannot be certain that, following a license and collaboration arrangement, we will achieve the revenue or net income that justifies such transaction or such other benefits that caused us to enter into the arrangement. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

Our rights to develop and commercialize our product candidates are subject, in part, to the terms and conditions of licenses granted to us by others.

We rely on licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development, manufacture or commercialization of our certain product candidates. For details, see "Business – Collaboration Arrangements." The licenses we hold may not provide exclusive rights to use such intellectual property in all relevant fields of use or in all territories in which we may wish to develop or commercialize our future approved products. As a result, we may not be able to develop, export or sell our products outside of the fields or territories as stipulated by the license and collaboration agreements or prevent competitors from developing and commercializing competitive products in territories included in all of our licenses. Our existing or future collaboration partners may rely on third-party collaborators or on upstream licenses from third parties, such that our licensing partners are not the sole and exclusive owners of the patents we in-license.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement or defense of patents and patent applications covering the product candidates and components we license from third parties, or the technology underlying such product candidates and components. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business. If our existing or future collaboration partners fail to prosecute, maintain, enforce or defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to research, develop and commercialize any of our products that are subject to such licensed rights could be adversely affected.

Such license agreements set out various procedures and timelines with respect to, among other matters, clinical development, commercialization, and financial obligations such as milestone payments and royalties. The terms of these agreements are complex and can be subject to multiple interpretations. The resolution of any disagreements arising from these agreements could, for example, eliminate or narrow what we believe to be the scope of our rights to the relevant intellectual properties or technologies, or increase what we believe to be our financial or other obligations under the relevant agreements. If we fail to comply with our obligations under our current or future license agreements, our counterparties may have the right to terminate such agreements, in which event we might lose the ability to develop, manufacture or market certain products, or face claims for monetary damages or other penalties under the respective agreements. Reduction or elimination of our rights under such agreements may force us to negotiate new or restated agreements with less favorable terms, or cause disruptions to our ongoing activities carried out in reliance of such rights, including our rights to important intellectual properties and technologies.

Moreover, if any of our collaboration partners encounter financial problems, enter into liquidation, dissolution, bankruptcy, or similar insolvency proceedings, or experience changes in business focus, some or all of our rights under the license agreements may be affected. Any of these events could have a material and adverse effect on our competitive position, business, financial condition, results of operations and prospects.

We rely on third parties to manufacture a portion of our products for clinical development and commercial sales, and our business could be harmed if those third parties fail to provide us with sufficient quantities of the products or fail to do so at acceptable quality levels or prices.

During the Track Record Period and up to the Latest Practicable Date, we had worked with qualified CMOs to manufacture our product candidates and products. We expect to continue to rely on third-parties to manufacture a portion of the approved products in the future. Reliance on third-party manufacturers would expose us to the following risks:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the NMPA or other comparable regulatory authorities must evaluate and/or approve any manufacturers as part of their regulatory oversight of our product candidates. This evaluation would require new testing and cGMP-compliance inspections by the NMPA or other comparable regulatory authorities;

- our third-party manufacturers might be unable to timely manufacture our product candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;

- manufacturers are subject to ongoing periodic unannounced inspection by the regulatory authorities to ensure strict compliance with cGMP and other government regulations. We do not have control over third-party manufacturers' compliance with these regulations and requirements;

- we may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our product candidates;

- manufacturers may not properly obtain, protect, maintain, defend or enforce our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- manufacturers may infringe, misappropriate or otherwise violate the patent, trade secret or other intellectual property rights of third parties; and

- our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or human-made disasters.

Each of these risks could delay or prevent R&D activities, result in higher costs, or adversely impact commercialization of our future approved product candidates.

Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide any products and future approved product candidates for commercial sale and our product candidates to patients in clinical trials would be jeopardized. Any delay or interruption in the provision of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs, and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely.

We work with various third parties to develop our product candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our product candidates, and our business could be materially harmed.

We have worked with and plan to continue to work with third-party collaborators, such as CROs, to monitor and manage data for our ongoing preclinical and clinical programs. We work with these parties to execute our preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our collaboration with the CROs and other third parties does not relieve us of our regulatory responsibilities.

We, our CROs for our clinical programs and our clinical investigators are required to comply with GCP, which are regulations and guidelines enforced by the NMPA and other comparable regulatory authorities for all of our product candidates in clinical development. If we or any of our CROs or clinical investigators fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing preclinical studies, and clinical and non-clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

Switching or adding additional CROs involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

Our future revenues are dependent on our ability to work effectively with collaborators, such as CROs, to develop our product candidates, including to obtain regulatory approval. Our arrangements with such collaborators will be critical to successfully bringing our product candidates to market and commercializing them. We rely on third-party collaborators in various respects, including but not limited to undertaking research and development programs, conducting clinical trials, managing or assisting with the regulatory filings and approval process, and assisting with our commercialization efforts. We do not control our collaborators, therefore, we cannot ensure that these third parties will adequately and timely perform all of their obligations to us. If they fail to complete the remaining studies successfully, or at all, it could delay, adversely affect or prevent regulatory approval, which could materially and adversely affect our business, financial condition, cash flows and results of operations.

RISKS RELATING TO OUR CRO AND CDMO BUSINESS

In conducting radiopharmaceuticals discovery, development and manufacturing, we face potential liabilities, in particular, product liability risks.

In providing our services, we face a range of potential liabilities. We typically undertake to defend, indemnify and hold our customers harmless from and against any liabilities and damages resulting from any third party claims, demands, suits or proceedings to the extent arising out of or relating to our negligence, willful misconduct, unlawful activities or material breach of the long-term service agreement or project-based service contract or a work order under the long-term service agreement. In particular, we may face product liability risks if the radiopharmaceuticals we help to discover, develop or manufacture are subject to product liability claims. Our liability is not always capped under our long-term service agreements or project-based service contracts. We provide services in the discovery, development and commercial manufacturing of radiopharmaceuticals that are intended ultimately to be used in humans, either in clinical trials or as marketed products, although we do not commercially market or sell these products to end users. If any of these radiopharmaceuticals harms people due to our negligence, willful misconduct, unlawful activities or material breach, we may be subject to litigation and may be required to pay damages. Damages awarded in a product liability action could be substantial and could have a material and adverse impact on our reputation, business, financial condition, results of operations and prospects. Although we currently maintain pharmaceutical quality and safety liability insurance, our insurance coverage may be inadequate or may become unavailable on terms acceptable to us.

The radiopharmaceuticals we help to discover, develop or manufacture may cause undesirable adverse events or have other properties that could delay or prevent their regulatory approval, limit their commercial profile or harm our reputation.

Undesirable adverse events caused by the radiopharmaceuticals we help to discover, develop or manufacture could cause our customers or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval for the relevant products. Results of our customers' trials could reveal a high and unacceptable level of severity or prevalence of adverse events. In such event, trials could be suspended or terminated and the regulatory authority may order our customers to cease further development of, or deny approval of, such products. If any of adverse events is attributable to or associated with our services, with or without merits, our reputation may be harmed, which may cause a decline in customer demand for our services and materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we and our current or future collaborating partners are unable to protect our intellectual property rights worldwide, or if the scope of such intellectual property rights obtained is not sufficiently broad or a compulsory license is issued, third parties could develop and commercialize product candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our product candidates or technologies would be materially and adversely affected.

We seek to protect the product candidates and technologies that we consider commercially important by filing patent applications in China and other jurisdictions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. For further information on our patent portfolio, see "Business – Intellectual Property." If we or our current or future collaborating partners are unable to obtain and maintain patent and other intellectual property protection with respect to our product candidates and technologies, our business, financial condition, results of operations and prospects could be materially harmed.

The patent prosecution process is expensive, time-consuming and complex, and we and our collaboration partner may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner in all desirable jurisdictions. As a result, we and our current or future collaborating partners may not be able to prevent competitors or other third parties from developing and commercializing competitive products in all such fields and jurisdictions. Our pending and future patent applications may not result in patents being issued which protect our technology or product candidates or which effectively prevent others from commercializing competitive technologies and product candidates. As of the Latest Practicable Date, we have not obtained patent protections for certain of our early-stage product candidates. Although we plan to initiate patent applications in due course, currently there is no patent protection available for such product candidates until the relevant patent applications are successful.

The requirements for patentability differ in certain jurisdictions. For example, methods of treatment of diseases are not patentable subject matters in China. Many jurisdictions have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. For example, according to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (the "**PRC Patent Law**"), for public health purposes, the China National Intellectual Property Administration (CNIPA) may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which PRC has acceded. In addition, many jurisdictions limit the enforceability of patents against government agencies or government contractors. In these jurisdictions, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we are forced to grant a license to third parties with respect to any patent or patent application relevant to our business, our competitive position may be materially impaired and our business, financial condition, results of operations and prospects may be adversely affected.

It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements or clauses with parties who have access to confidential or patentable aspects of our research and development output, such as our employees and third-party contractors, any of these parties may breach such agreements or clauses and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Furthermore, China has adopted the "first-to-file" system, under which the first inventor to file a patent application will be awarded the patent if all other patentability requirements are met. Under the first-to-file system, third parties may be granted a patent relating to a technology which we invented.

In addition, under the PRC Patent Law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to file in advance to CNIPA, for confidentiality examination. Otherwise, if an application is later filed in China, the patent right will not be granted.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we own currently or in the future are issued as patents, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we hold, acquire or in-license may be challenged, narrowed, circumvented, or invalidated by third parties. In addition, the patent position of pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Consequently, we do not know whether any of our platform advances and product candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Our patent rights may be challenged and invalidated.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and patents we currently own or could be granted in the future may be challenged in the courts or patent offices in China and other jurisdictions. We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property or become involved in opposition, derivation, revocation, reexamination, post-grant and inter partes review, or interference proceedings challenging our patent rights or the patent rights of others. If we are unsuccessful in any interference proceedings or other priority or validity disputes (including any patent oppositions) to which our intellectual properties are subject, we may lose valuable intellectual property rights through the loss of one or more patents or our patent claims may be narrowed, invalidated, or held unenforceable. In addition, if we are unsuccessful in any inventorship disputes to which we are subject, we may lose valuable intellectual property rights, such as exclusive ownership. If we are unsuccessful in any interference proceeding or other priority or inventorship dispute, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of one or more of our product candidates. The loss of exclusivity or the narrowing of our patent claims could limit our ability to stop others from using or commercializing similar or identical product products. Any of the foregoing could result in a material adverse effect on our business, financial condition, results of operations or prospects. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

Specifically, despite measures we take to obtain patent protection with respect to our major product candidates and technologies, any of such registered patents could be narrowed, challenged or invalidated due to any interference proceedings or other priority or validity disputes. Third parties may also raise similar patent invalidity claims before administrative bodies in China or in other jurisdictions, even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer adequately cover and protect our product candidates. Even if a third party does not prevail on a legal assertion of invalidity or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against such third party and others.

Even if we obtain patent protection for our products and product candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially and adversely affected.

Although various adjustments and extensions may be available, the term of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years for invention in the PRC. Generic or biosimilar medications may obtain marketing approval following our patent expiration. The patents and pending patent applications, if issued, for our product candidates are expected

to expire on various dates. For the expiration dates of our registered patents for our product candidates, please see "Business – Intellectual Property." Upon the expiration of our registered patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours, which could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, or we may be sued for infringing, misappropriating or otherwise violating the intellectual property rights of third parties, which could be expensive, time-consuming and unsuccessful.

Competitors or other third parties may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement, misappropriation or any other unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights. Litigation and other proceedings in connection with any of the foregoing claims can be expensive and time-consuming and, even if resolved in our favor, may cause us to incur significant expenses and could distract management and our scientific and technical personnel from their normal responsibilities. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any claims that we assert against perceived infringers and other violators could also provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. Many of our current and potential competitors have the ability to dedicate more resources to enforce and defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property rights. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Therefore, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs.

Moreover, we may not be able to detect infringement against our patents. Even if we detect infringement by a third party of any of our patents, we may choose not to pursue litigation against or settlement with such third party. If we later sue such third party for patent infringement, the third party may have certain legal defenses available to it, such as the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us to enforce our patents against such third party.

Although we believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our collaboration partner, our or their patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates, leave our technology or product candidates without patent protection, allow third parties to commercialize our technology or product candidates and compete directly with us, without payment to us, or could require us to obtain license rights from the prevailing party in order to be able to manufacture or commercialize our product candidates without infringing third party patent rights. Even if a defendant does not prevail on a legal assertion of invalidity or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others.

In addition, our commercial success depends in part on our ability to avoid infringing, misappropriating, or otherwise violating intellectual property rights of third parties. However, our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Defending ourselves against third parties' intellectual right infringement allegations, meritorious or not, would be expensive and time consuming, and would be a substantial diversion of our resources and our management team's attention. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation.

In the event that third parties assert infringement claims against us, we cannot assure you that the outcome would be in our favor, as whether a product infringes on third parties' intellectual property rights involves an analysis of complex legal and factual issues, the determination of which is often uncertain, and the burden of proof required to successfully challenge a third-party intellectual property right may be high. If we were found by courts or other competent authorities to have infringed on the patent or other intellectual property rights of third parties, we may be subject to injunctive or other equitable relief, which could prevent us from developing and commercializing our products and product candidates, or at least delay the development or commercialization process. We may also be required to obtain and maintain licenses from third parties in order to continue the development of our product candidates or our general operations, which may have an adverse impact on our financial position and profitability. Even if the litigations or other proceedings are resolved in our favor, our involvement in such proceedings may attract publicity, thereby having a substantial adverse effect on our reputation and brand name.

If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

We currently own issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. We cannot assure you that any trademark applications we may file in the future will be approved. During trademark registration proceedings, we may receive rejections and although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the CNIPA and in proceedings before comparable agencies in

many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceeding may be filed against our trademarks and our trademarks may not survive such proceedings. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature in the future, upon regulatory approval, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks and we may encounter lawsuits related to trademarks and trade names. We may be unsuccessful to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Failure to obtain the patent term extension for products could increase the risk of early generic competition for our products.

In China, the fourth Amendments to the PRC Patent Law (《中華人民共和國專利法》), which was adopted on October 17, 2020 and was put into effect on June 1, 2021, introduces patent term extension system for drug patents. The PRC Patent Law stipulates that the Patent Administration Department under the State Council shall, upon request of the patentee, extend the patent term of relevant invention patents of the new drug that is approved to be listed on the market in China, to compensate for the time spent for the review and examination and approval of the listing of a new drug on the market. The compensated extension shall not exceed five years, and the total valid patent term after the new drug is approved for the market shall not exceed 14 years. If we fail to apply for such patent term extension in accordance with the applicable NMPA requirements, we may not be able to benefit from those benefits.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to our registered patents and pending patent applications, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our product candidates. We seek to protect our trade secrets and confidential information, in part, by entering into non-disclosure and confidentiality agreements or clauses with parties that have access to trade secrets or confidential information, such as our employees and collaboration partners, outside scientific collaborators, contract manufacturers, and other third parties that have access to them. However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements or clauses. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Any of the parties with whom we enter into confidentiality agreements or clauses may breach or violate the terms of any such agreements or clauses and may disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach or violation. As a result, we could lose our trade secrets and third parties could use our trade secrets to compete with our product candidates and technology. Additionally, we cannot guarantee that we have entered into such agreements or clauses with each party that may have or has had access to our trade secrets or proprietary technology and processes. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their former employers, or claims asserting ownership of what we regard as our own intellectual property.

Many of our employees, consultants, and advisors, including our senior management, may currently be, or were previously employed at other pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or be required to obtain licenses to such intellectual property rights, which may not be available on commercially reasonable terms or at all. An inability to incorporate such intellectual property rights would harm our business and may prevent us from successfully commercializing our product candidates. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent contractors.

A loss of key personnel or their work product could hamper or prevent our ability to commercialize our product candidates and technology, which would have a material adverse effect on our business, results of operations, financial condition and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our employees and management.

In addition, while we typically require our employees and contractors who may be involved in the conception or development of intellectual property to enter into agreements or clauses assigning such intellectual property to us, we may be unsuccessful in executing such an agreement or clause with each party who in fact develops intellectual property that we regard as our own. Furthermore, even when we obtain agreements or clauses assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing, or the assignment agreements or clauses may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements or clauses with us may have pre-existing or competing obligations to a third party, such as an academic institution, and thus an agreement or clause with us may be ineffective in perfecting ownership of inventions developed by that individual. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending any of the foregoing claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

Intellectual property and other laws and regulations are subject to development, which could diminish the value of our intellectual property and impair the intellectual property protection of our product candidates.

Our success is heavily dependent on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry involves technological and legal complexity and is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in different jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights.

There could be similar changes in the laws of China, such as the amendment to the PRC Patent Law which was promulgated in October 2020. See "– Risks Relating to Our Intellectual Property Rights – Failure to obtain the patent term extension for products could increase the risk of early genetic competition for our products." Such changes in laws either of China or foreign jurisdictions may impact the value of our patent rights or our other intellectual property rights, all of which could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial conditions, results of operations and prospects.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance with those requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA, and other patent agencies in several stages over the lifetime of a patent. The CNIPA, and other similar governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application and maintenance process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through in-licenses and acquisitions, and we may face disputes regarding to our historical patent transfers.

Because our programs may involve additional product candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire and maintain licenses or other rights to use these proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, or other intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

Intellectual property rights do not necessarily protect us from all potential threats.

The degree of protection afforded by our intellectual property rights is essentially uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. The limitations of currently available intellectual property protection regimes include that:

- others may be able to make products that are similar to any of our product candidates or utilize similar or alternative technology that are not covered by the claims of the patents that we own or have exclusively licensed now or in the future;

- we or our current or future collaboration partners might not have been the first to make the inventions covered by the registered patent or pending patent application that we own or may license in the future;

- we or our current or future collaboration partners might not have been the first to file patent applications covering certain of our or their inventions, which could result in the patent applications not issuing or being invalidated after issuing;

- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our intellectual property rights;

- it is possible that our pending patent applications or those that we may own in the future will not lead to registered patents;

- patents that may be issued from our pending patent applications may not provide us with any competitive advantages, or may be held invalid or unenforceable, including as a result of legal challenges by our competitors;

- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;

- we may obtain patents for certain compounds many years before we obtain marketing approval for products containing such compounds, and because patents have a limited life, which may begin to run prior to the commercial sales of the related product, the commercial value of our patents may be limited;

- the proprietary technologies on which we rely may not be patentable;

- the patents of others may materially and adversely affect our business; and

- we may choose not to file a patent for certain trade secrets or know-how, yet a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development and commercialization of radiopharmaceutical products are heavily regulated.

All jurisdictions in which we develop product candidates and commercialize our products regulate these activities in great depth and detail. These jurisdictions all strictly regulate the radiopharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of the development and approval, manufacturing, marketing and sales of radiopharmaceutical products. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in these regions.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable regulatory requirements in the jurisdictions we operate or target to operate in the future at any time during the product development process or approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include but are not limited to a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any occurrence of the foregoing could therefore materially and adversely affect our business, financial condition, results of operations and prospects.

Any failure to comply with existing laws, regulations and industry standards could result in fines or other punitive actions against us, the termination of ongoing research and the disqualification of data for submission to regulatory authorities, or a ban on the future sales of our products, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations and prospects. In addition, any action against us for violation of the relevant laws, regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and adversely affect our reputation and financial results.

The regulatory approval processes of the NMPA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our product candidates in our targeted markets, our business may be substantially harmed.

We are subject to risks associated with obtaining regulatory approvals. Difficulties and failures in doing so may expose us to various harms. The time required to obtain approvals from the relevant regulatory authorities in different jurisdictions is unpredictable. We cannot assure you that we will be able to meet regulatory requirements of different jurisdictions or that our product candidates will be

approved for sale in those jurisdictions. Additional time, effort and expense may be required to bring our product candidates, upon regulatory approval, to different markets in compliance with different regulatory processes.

We may fail to receive the regulatory approvals from the NMPA or other comparable regulatory authorities for our product candidates due to a number of reasons, including:

- disagreement in the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- insufficient or suboptimal data collected from the clinical trials, or failure of our clinical trial results to meet the level of statistical and medical significance required for approvals;
- failure of our clinical trial process to pass GCP inspections;
- unexpected changes in regulations, testing requirements, or approval policies that render our preclinical and clinical data insufficient for approval;
- failure of our clinical sites to pass audits carried out by the NMPA or other comparable regulatory authorities, resulting in a potential invalidation of our research data; and
- findings of deficiencies related to our manufacturing processes or the manufacturing facilities of third-party manufacturers from whom we procure clinical and commercial supplies, such as failure to pass GMP inspections.

Additionally, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval procedures vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking regulatory approvals in various jurisdictions could result in significant delays, difficulties and costs for us, and we cannot assure you that we will be able to meet regulatory requirements of different jurisdictions. The NMPA or other comparable regulatory authorities may require more information to support approval, including additional preclinical or clinical data, which may result in delay in regulatory approval and commercialization plans or denial of regulatory approval. In the case where an approval is issued, regulatory authorities may approve fewer indications, including undesired indications, of our product candidates than the indications we applied for.

Also, failure to obtain regulatory approvals in a timely manner, or at all, or failure to obtain regulatory approvals with an intended scope of indications could have a negative impact on the commercial prospects of our product candidates, and may cause reputational damage. If any of our product candidates fails to demonstrate safety and efficacy to the satisfaction of regulatory authorities or does not otherwise produce positive results in future clinical trials, we would not be able to realize

any revenue on such product candidate despite the significant amount of resources we would have spent on its development, which could materially adversely affect our business, financial condition, results of operations and prospects.

We or the parties on whom we rely may fail to obtain, maintain or renew necessary licenses, permits, certificates or regulatory approvals for the development, manufacture and sales of our products and future approved product candidates.

We are required to obtain, maintain and renew various permits, licenses and certificates, such as Radiopharmaceutical Production License (放射性藥品生產許可證), Radiopharmaceutical Business License (放射性藥品經營許可證) and Radiation Safety Permit (輻射安全許可證) to develop, manufacture and sell our products and future approved product candidates. Please see "Business – Licenses, Permits and Approvals." Third parties, such as suppliers, CROs, and CMOs on whom we may rely to develop, manufacture and sell our products, may be subject to similar requirements. We and our business partners may also be subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates. Moreover, the criteria used in reviewing applications for, or renewals of permits, licenses and certificates may develop from time to time, and there can be no assurance that we or the parties on whom we rely will be able to meet new criteria that may be imposed to obtain or renew the necessary permits, licenses and certificates. Many of such permits, licenses and certificates are material to the operation of our business, and if we or our business partners fail to maintain or renew material permits, licenses and certificates, our ability to conduct our business could be materially impaired.

Any developments in the standards used by governmental authorities in considering whether to renew or reassess our or our business partners' licenses, permits and certifications, as well as enactment of any new regulations that may restrict the operation of our business, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our profitability and prospects. Furthermore, if the interpretation or implementation of existing laws and regulations develop, or new regulations come into effect, requiring us or the parties on whom we rely to obtain any additional permits, licenses or certifications that were previously not required to operate our business, there can be no assurance that we or the parties on whom we rely will successfully obtain such permits, licenses or certifications.

Developments in laws and regulations relating to the pharmaceutical industry may result in additional compliance risks and costs.

In China and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the pharmaceutical industry and the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved products and affect our ability to profitably sell any product candidates for which we obtain marketing approval. See also "– Risks Relating to Sales and Commercialization of Our Products and Product Candidates – Our product candidates may not be covered by insurance or reimbursement programs or may become subject to unfavorable insurance policies or reimbursement practices, either of which could harm our business, and we may be subject to unfavorable pricing regulations, which could make it difficult for us to sell our products profitably."

As certain of our product candidates are in commercial or near-commercial stages as of the Latest Practicable Date, these legislative trends and regulatory measures can potentially affect the sales, profitability and prospects of our product and future approved product candidates. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these laws and regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

We are subject to stringent privacy laws, information security policies and regulations on transferring data abroad or using human genetic resources collected.

We routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, state, national and international data protection and privacy laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the "**Scientific Data Measures**"), which provides that enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the PRC government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given that the term "state secret" is not clearly defined in the Scientific Data Measures, if and to the extent any data collected or generated in connection with our R&D of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad.

The Regulations on the Management of Human Genetic Resources of the People's Republic of China (《中華人民共和國人類遺傳資源管理條例》) ("**Human Genetic Resources Regulations**"), promulgated by the State Council in May 2019, revised on March 10, 2024, and effective from May 1, 2024, regulate the collection, preservation, utilization, and provision of Chinese human genetic resources to foreign parties. Violation of Human Genetic Resources Regulations may result in a range of adverse consequences for us, including warnings, revocation of administrative licenses and fines.

The landscape of cybersecurity and data privacy and security laws is constantly evolving. For example, on November 7, 2016, the SCNPC promulgated the Cybersecurity Law (《網絡安全法》), effective on June 1, 2017, which requires network operators to safeguard security of the network and follow the principles of legitimacy in collecting and using personal information. On June 10, 2021, the SCNPC promulgated the Data Security Law (《數據安全法》), effective on September 1, 2021, which imposes data security and privacy protection obligations on entities and individuals which carry out

data activities, and introduces a data classification and hierarchical protection system. On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》), effective on November 1, 2021, which further detailed the general rules and principles on personal information processing and further increased the potential liability of personal information processor. Complying with new laws and regulations could substantially increase the costs or require us to change our business practices in a manner materially adverse to our business. Additionally, to the extent we are found by the PRC regulators to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend our operations or other regulatory and disciplinary sanctions.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**"), together with other relevant administrative departments, jointly promulgated the revised Cybersecurity Review Measures (《網絡安全審查辦法》) with effect from February 15, 2022, according to which, the purchase of network products and services by a critical information infrastructure operator (the "**CIIO**") or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, an online platform operator who possesses personal information of over one million users and intends for listing in a foreign country (國外上市) must be subject to the cybersecurity review. However, there has been no further explanation or interpretation for "foreign listing" or "affect or may affect national security" under the aforementioned regulation. In addition, we cannot rule out the possibility that the relevant government authorities may conduct cybersecurity review on us according to the Cybersecurity Review Measures. If a cybersecurity review for any of our activities is required, we will actively cooperate with the CAC to conduct such cybersecurity review. Any failure to obtain such approval or clearance from the regulatory authorities could materially constrain our liquidity and have a material adverse impact on our business operations and financial results, especially if we need additional capital or financing.

On September 30, 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**") was promulgated by the State Council, which came into effect on January 1, 2025. The Data Security Regulations reiterate and refine the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of online platform service providers. In particular, the Data Security Regulations provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. However, the Data Security Regulations provide no further explanation or interpretation for the criteria on determining the risks that "affect or may affect national security". Additionally, since the Data Security Regulations are still relatively new, the interpretation and implementation of these regulations may further evolve and develop.

Moreover, the regulatory framework on cross-border transfer of personal information and data worldwide is rapidly evolving and is likely to remain uncertain due to lack of clear explanation and instruction on enforcement. For example, in recent years, China has promulgated several laws and regulations on cross-border data transfer, including but not limited to the Data Security Law, the Personal Information Protection Law, the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), the Measures for the Administration of Standard Contractual Clauses for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) and the Provisions

on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》). These regulations have provided that, amongst others, CIIO that provides any personal information or important data to an overseas recipient, and other data processors that provides any important data, sensitive personal information or certain amount of non-sensitive personal information to an overseas recipient shall be subject to security assessment, standard contract filing or personal information protection certification for outbound data transfer activities, unless otherwise provided under the relevant laws and regulations. We cannot guarantee if these rules or regulations promulgated will impose additional compliance requirements, including any approval, filing and other administrative measures thereunder, and we cannot guarantee that the measures we have taken or will take in the future will always be effective or fully satisfy the relevant regulatory requirements under the relevant laws and regulations, including obtaining such approval, filing and other administrative measures in a timely manner, or at all.

We could be adversely affected as a result of certain transactions or operations that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries.

During the Track Record Period, we have supplied a minimal quantity of the Russian origin Ytterbium-176 to a customer listed in the Entity List, and procured certain non-sanctioned items and collaborated with several domestic Chinese partners who are listed by Japanese Ministry of Economy, Trade and Industry on its end-user list and who are subject to the UK asset freeze and trust services sanctions. As advised by our International Sanctions Legal Advisors after performing the procedures they consider necessary, these transactions relating to these said entities did not involve any exports or transactions of any items subject to the EAR to the said Entity List customer, the procurements from the domestic Chinese partners who are listed by Japanese Ministry of Economy, Trade and Industry on its end-user list and who are subject to the UK asset freeze and trust services sanctions did not involve any Japanese or UK nexus (including Japanese or UK persons, entities or currency), and hence did not represent a violation of the International Sanctions.

Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the U.K., the UN, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of us.

Even if we receive regulatory approval for our product candidates, we will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses and we may be subject to penalties and other negative consequences if we fail to comply with these regulatory requirements or experience unanticipated problems with our product candidates.

If the NMPA or a comparable regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, storage, sales, adverse event reporting, advertising, promotion, sampling, recordkeeping and post-marketing studies for the product will be subject to extensive and ongoing or additional regulatory requirements on pharmacovigilance. These requirements include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any CMC, variations, continued compliance with cGMPs, GCPs, good storage practices ("**GSPs**") and good vigilance practices ("**GVPs**") and potential post-approval studies for the purposes of license renewal.

Any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing studies, including, if applicable, phase 4 trials for the surveillance and monitoring of the safety and efficacy of the product.

In addition, once a drug is approved by the NMPA or a comparable regulatory authority for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our product candidates, it may result in, among other things:

- restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory drug recalls;
- fines, warning letters or holds on our clinical trials;
- refusal by the NMPA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug license approvals;
- drug seizure or detention, or refusal to permit the import or export of drugs; and
- injunctions or the imposition of civil, administrative or criminal penalties.

Any government investigation of alleged violations of law could require us to expend significant time and resources and could generate negative publicity. Moreover, regulatory policies may change or additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be directly or indirectly subject to applicable anti-kickback, anti-bribery, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

If we obtain the NMPA's approval for any of our product candidates and begin commercializing our products in China in the future, our operations may become subject to various PRC fraud and abuse laws, including the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) and PRC Criminal Law (《中華人民共和國刑法》). These laws may impact, among others, our proposed sales, marketing and education programs.

Law enforcement authorities are increasingly focused on enforcing these laws, and some of our practices may be challenged under these laws. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. Governmental authorities could conclude that our business practices may not comply with current or future fraud, abuse or other healthcare laws or regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a significant impact on our businesses and results of operations.

In addition, we are subject to anti-bribery laws in China that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. The PRC government has taken increasingly stringent measures to correct corruptive practices in the pharmaceutical industry since 2023. For example, in May 2023, 14 governmental departments including the National Health Commission jointly issued the Key Points for the Correction of Malpractice in the Purchase and Sales of Medical Products and Medical Services in 2023 (2023年糾正醫藥購銷領域和醫療服務中不正之風工作要點), emphasizing the need to address prominent corruption issues in the healthcare industry, particularly to rectify the malpractice that may occur involving the medical industrial associations and during the process of the purchases and sales of medical products. Moreover, although currently our business operations are primarily in China, we are subject to the Foreign Corrupt Practices Act (the "**FCPA**"). The FCPA generally prohibits us from making improper payment to non-U.S. officials for the purpose of obtaining or retaining business. Failure to comply with anti-bribery laws could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, loss of our export licenses, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. See also "– Risks Relating to Our Operations – Our Directors, employees, principal investigators, commercial partners and independent contractors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could harm our reputation and subject us to penalties and significant expenses that have a material and adverse effect on our business, financial condition and results of operations."

We face certain risks relating to laws and regulations on social insurance and housing provident fund.

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for certain employees. Pursuant to the relevant PRC laws and regulations, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident fund do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, we may be subject to an order from the relevant PRC courts for compulsory enforcement. We believe that the total amount of shortfall for social insurance and housing provident fund contributions during the Track Record Period would not have a material adverse effect on our business. In addition, during the Track Record Period, we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees, primarily due to the preference of such employees to participate in local social insurance and housing fund schemes in their place of residency in which we did not establish any entity. Under the contracts entered into between such third-party human resources agencies and us, such agencies have the obligations to pay social insurance and housing provident fund contributions for our relevant employees. If the third-party human resource agencies fail to make timely and full payment of social insurance and housing provident fund contributions for our relevant employees in accordance with their contracts with us, we have the right to pursue corresponding liability for breach of contract against such agencies. Considering that (1) we had obtained credit reports issued by competent authorities; (2) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant local government authorities requiring us to pay for the shortfalls or any overdue charges, nor had we been subject to any administrative penalties for the above-mentioned non-compliance; and (3) we conducted interviews with competent authorities, our PRC Legal Adviser is of the view that, in accordance with the regulatory policies currently in effect, the likelihood that the competent government authorities would impose fines on us due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period is remote. However, we cannot assure that the relevant local government authorities will not require us to (i) pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us; or (ii) adjust or rectify our arrangements with the third-party human resource agencies. The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

We are subject to environmental protection, health and safety laws and regulations, and failure to comply with them could result in fines, penalties, or costs that may materially adversely affect the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including but not limited to the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals in the process of our business operations. In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province for which we are in the process of obtaining relevant licenses and permits. Such facility construction project can only be put into operation after the relevant administrative authorities in charge of environmental protection, health and safety have examined and approved the facility. We cannot assure you that we will be able to obtain all the regulatory approvals for our construction project in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals for our construction projects may affect our abilities to develop, manufacture and commercialize our product candidates as we plan. As requirements imposed by such laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with environmental protection, health and safety laws and regulations, we may be subject to rectification orders, substantial fines, potentially significant monetary damages, or production suspensions in our business operations. As a result, any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we cannot fully eliminate the risk of accidental contamination, radioactive or chemical hazards or personal injury at our facility during the process of discovery, testing, development and manufacturing of our product candidates. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business. Other adverse effects could result from such liability, including reputational damage. We may also be forced to close or suspend operations at certain of our affected facility temporarily, or permanently. As a result, any accidental contamination, radioactive or chemical hazards or personal injury could have a material and adverse impact on our business, financial condition, results of operations and prospects.

We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

Gains on the [REDACTED] of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the **[REDACTED]** or **[REDACTED]** by other means of shares by such shareholders.

According to the Individual Income Tax Law of the PRC and the Implementation Regulations for the Individual Income Tax Law of the PRC, both came into effect on January 1, 2019, unless specifically exempted by the State Council tax authorities or eligible for reductions under relevant tax treaties, non-PRC resident foreign individuals are generally required to pay a 20% individual income tax on dividends received from PRC enterprises.

According to the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was newly revised on December 6, 2024 and implemented on January 20, 2025, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income executed on August 21, 2006 and implemented on December 8, 2006, the Chinese government may levy taxes on dividends paid by PRC companies to residents of the Hong Kong Special Administrative Region (including individuals and legal entities), but the tax rate shall not exceed 10% of the total dividends payable. If a Hong Kong resident directly holds 25% or more of the equity in a Chinese company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, the tax rate shall not exceed 5% of the total dividends payable by the Chinese company.

The interpretation and enforcement of applicable tax laws and regulations in the PRC by the PRC tax authorities, including whether and how income tax will be levied on non-PRC resident shareholders, will be determined according to the laws and regulations then in effect. Non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through **[REDACTED]** or **[REDACTED]** by other means of the H Shares.

Laws and regulations over currency conversion may affect our ability to pay dividends or fulfill other obligations.

Our revenue and expenses are substantially denominated in Renminbi, and the net **[REDACTED]** from the **[REDACTED]** and dividends we pay on our H Shares, if any, will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the **[REDACTED]**, we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from SAFE, by complying with certain procedural requirements.

However, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders, our ability to obtain foreign exchange through offshore financing and other foreign exchange related matters may also be affected.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management based on Hong Kong or other foreign laws.

We are incorporated under the laws of the PRC, and a majority of our assets are located in the PRC. In addition, a majority of our Directors and senior management personnel reside within the PRC, and substantially all of their assets are located within the PRC. As a result, it may not be possible for investors to effect service of process upon us or our Directors, Supervisors and senior management personnel in China.

In July 2006, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"). Under the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly selected as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in China in order to seek recognition and enforcement of foreign judgments in China.

In January, 2019, the Supreme People's Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between China and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"). The New Arrangement became effective in January, 2024 both in China and in Hong Kong and replaced the Arrangement. The New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules set forth in the New Arrangement without the parties' agreement. Although the New Arrangement has been signed, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a PRC court.

We are subject to filings and other requirements from the CSRC or other PRC regulatory authorities for the [REDACTED] and [REDACTED] of our H Shares on the Stock Exchange.

On February 17, 2023, the China Securities Regulatory Commission ("**CSRC**") promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) ("**Overseas Listing Trial Measures**") and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures have comprehensively improved and reformed the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities. Any such domestic company that is deemed to conduct overseas offering and listing activities, including both the **[REDACTED]** and any further capital raising, shall file with the CSRC in accordance with the Overseas Listing Trial Measures.

We will **[REDACTED]** with the CSRC within the specific time limit as required by the Overseas Listing Trial Measures. In addition, it is uncertain whether we can or how long it will take us to complete the CSRC filing. Any failure to complete the CSRC filing may impede the **[REDACTED]** and may subject us to sanctions by the CSRC. Furthermore, such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial condition.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We may continue to incur significant research and development expenses and other expenses related to our ongoing operations and not be able to generate sufficient revenue to achieve and maintain profitability in the future.

Investment in the development of radiopharmaceutical products is highly speculative as it entails substantial upfront expenditures and significant risks that a product candidate may fail to demonstrate efficacy and safety to gain regulatory or marketing approvals or become commercially viable. During the Track Record Period, we financed our operations primarily through a combination of equity and debt financing and revenue generated from our business operations. In 2023 and 2024, while we generated a limited revenue from our provision of CRO/CDMO services, licenses of intellectual property, sales of pharmaceutical products and provision of marketing services, we continued to incur significant research and development expenses and other expenses related to our ongoing operations. See "Financial Information – Description of Major Components of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income." As a result, we recorded net loss of RMB309.2 million and RMB156.1 million in 2023 and 2024.

Our Consolidated Statements of Profit or Loss and Other Comprehensive Income." Our ability to generate sufficient revenue to achieve and maintain profitability depends significantly on our success in advancing product candidates into later stages of clinical development, obtaining regulatory approvals for each product candidate, and commencing commercialization of theses future approved product candidates, which we may not be able to do in a timely manner or at all.

We expect to continue to incur significant research and development expenses and other expenses related to our ongoing operations in the foreseeable future and that our net loss may increase if and as we, among others:

- continue to advance the clinical trials and preclinical studies of our product pipeline;
- seek to discover or develop additional product candidates and initiate preclinical, clinical or other studies for these new product candidates to further expand our product pipeline;
- manufacture our product candidates for clinical trials and for commercial sale;
- commercialize any product candidates in our pipeline for which we may obtain regulatory approval;
- acquire or in-license other product candidates, intellectual property assets and technologies;
- develop, maintain, expand and protect our intellectual property portfolio;
- attract and retain skilled personnel;
- create additional infrastructure to support our product development and planned future commercialization efforts; and
- incur additional legal, accounting, investor relations, insurance and other expenses associated with operating as a public company following the completion of the **[REDACTED]**.

Even if we manage to achieve profitability in the future, we may not be able to sustain or increase profitability on an ongoing basis. Our net loss position has had, and will continue to have, an adverse effect on our working capital and shareholders' equity. Our failure to become and remain profitable may also impact investors' perception of the potential value of our Company and could impair our ability to raise additional capital, expand our business or continue our operations. Failure to become and remain profitable may also adversely affect the **[REDACTED]** of our H Shares. A decline in the **[REDACTED]** of our H Shares could cause potential investors to lose all or part of their investment in our business.

We had net current liabilities, net liabilities and net cash flows used in operating activities during the Track Record Period, which may continue in the foreseeable future and expose us to liquidity risk.

We had net liabilities of RMB1,007.5 million and RMB1,170.7 million as of December 31, 2023 and 2024, respectively. We had net current liabilities of RMB1,833.3 million and RMB1,912.0 million as of December 31, 2023 and 2024, respectively. Our net liabilities and net current liabilities during the Track Record Period were primarily attributable to the redemption liabilities on equity shares. See "Financial Information – Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" and "Financial Information – Indebtedness – Redemption Liabilities on Equity Shares." Net

liabilities and net current liabilities positions can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all. See also "– We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our product candidates."

We recorded net cash flows used in operating activities of RMB306.2 million and RMB276.7 million in 2023 and 2024, respectively. See "Financial Information – Liquidity and Capital Resources – Cash Flows." Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

Our future liquidity, the payment of trade and other payables, our capital expenditure plans and the repayment of our outstanding short-term and long-term debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash generated from operating activities and adequate financing. If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our product candidates.

During the Track Record Period, we financed our operations primarily through a combination of equity and debt financing and revenue generated from our business operations. We expect to fund our future operations primarily through revenue generated from the sales of our commercialized product, existing cash and cash equivalents, bank loans, and net **[REDACTED]** from the **[REDACTED]**. Going forward, in the event of a successful commercialization of more of our product candidates, we expect to primarily fund our operations with revenue generated from sales of our commercialized products. Changes in our ability to fund our operations may affect our cash flow and results of operations. We may require substantial additional capital to meet our continued operating cash requirements, especially to fund our research and development activities, commercialization of our product candidates and development or expansion of manufacturing capabilities. Our future funding requirements will depend on many factors, including but not limited to:

- the progress, timing, scope and costs of our clinical trials, including the ability to timely identify and enroll patients in our planned and potential future clinical trials;
- the outcome, timing and cost of regulatory approvals of our product candidates;
- the progress, timing, scope and costs related to discovery and early development of additional product candidates;

- the preparation required for anticipated commercialization of our product candidates, and if regulatory approvals are obtained, to fund the product launch;
- the manufacturing requirements and capabilities related to clinical development and future commercialization for any approved product candidates;
- the amount and timing of any milestone and royalty payments we receive from or pay to our current or future collaborators;
- the cost of filing, prosecuting, defending and enforcing any patent claims or other intellectual property rights;
- the cash requirements of any future acquisitions; and
- our headcount growth and the associated costs.

As our business continues to expand, we may seek additional funding through equity **[REDACTED]**, debt financings, license and collaboration arrangements and other sources, which may not be available on terms favorable or commercially reasonable to us or at all.

Our ability to raise funds will also depend on the prevailing financial, economic and market conditions and factors from other aspects, such as our relationship with commercial banks, many of which are beyond our control. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities, or the commercialization of one or more of our product candidates, which may adversely affect our business prospects.

We are entitled to certain preferential tax treatments and government grants, and the expiration of or changes to which or our failure to satisfy any condition for which would have an adverse effect on our results of operations.

The Company was accredited as a "High and New Technology Enterprise" under the relevant PRC laws and regulations in 2022 and enjoyed a preferential tax rate of 15% during the Track Record Period. We cannot assure you that such preferential tax treatment will continue to be available to us in the future or that such preferential tax treatment will not be changed as a result of changes in government policy, administrative decisions or otherwise, in which case our financial condition and results of operations may be adversely affected.

In addition, we recognized government grants of RMB4.7 million and RMB1.4 million in 2023 and 2024, respectively. The timing, amount and criteria of government financial incentives are determined at the sole discretion of the PRC local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We do not have the ability to influence local government authorities in making these decisions. Local government authorities may decide to reduce or eliminate incentives at any time. In addition, some of the government financial incentives are granted on a project by

project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, otherwise we may be deprived of all or part of the incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives may have an adverse effect on our results of operations. In addition, we may not be able to receive government grants in the future, which may have an adverse effect on our financial condition and results of operations.

Any future increase in finance costs on borrowings for funding may affect our expansion in business and growth prospects.

During the Track Record Period, we obtained bank loans from commercial banks in the PRC to fund our capital expenditures and working capital. We had interest-bearing bank borrowings of RMB142.5 million and RMB160.2 million as of December 31, 2023 and 2024, respectively. In addition, we recorded finance costs of RMB24.7 million and RMB10.7 million in 2023 and 2024, respectively, which primarily represented transaction cost for issuance of redemption liabilities on equity shares, interest on bank borrowings and interest on lease liabilities. In the future, we may continue to fund our business operation, in part, on access to external financing, including borrowings. Any future increase in finance costs, whether due to rising interest rates, changes in credit market conditions, or unfavorable terms on new or refinanced debt, could significantly increase our cost of capital. Such higher borrowing costs could reduce the funds available for critical investments in research and development, commercialization of future approved product candidates, manufacturing, and our business expansion efforts.

Additionally, increased finance costs could strain our cash flow and liquidity, particularly if our revenue growth cannot keep pace with the rising cost of debt. This could lead to difficulties in meeting debt obligations, which may, in turn, limit our ability to secure additional financing on favorable terms or at all. Any such constraints could delay or curtail planned growth initiatives, especially our extensive research and development activities and marketing and sales efforts, limit our ability to compete effectively in the market, and materially and adversely affect our financial condition, results of operations, and business prospects. If we are unable to manage the risks associated with increased borrowing costs, our ability to execute our strategic objectives and sustain business growth could be adversely affected.

If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

We have intangible assets primarily consisting of software. The value of our intangible assets is based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may have to write off a significant portion of our intangible assets and record a significant impairment loss. In addition, our determination on whether intangible assets are impaired requires an estimation of the carrying amount and recoverable amount of an intangible asset. If the carrying amount exceeds its recoverable amount, our intangible assets may be impaired, which could have a material adverse effect on our business, financial condition and results of operations. For details of our accounting policies with respect to intangible assets, see "Financial Information – Material Accounting Policies, Significant Accounting Judgments and Estimation."

We may be subject to credit risk in collecting trade receivables due from our customers.

As of December 31, 2023 and 2024, our trade receivables amounted to RMB9.1 million and RMB24.0 million, respectively, which primarily arose from our provision of CRO/CDMO services and marketing services. Our liquidity and cash flow are directly affected by our customers' ability to pay us in a timely manner, but we cannot assure you that they will not default on us in the future, despite our efforts to conduct credit assessments. If any of our customers' business, cash flow, conditions or results of operations deteriorates, it may be unable or unwilling to pay trade receivables owed to us promptly or at all. Bankruptcy or deterioration of the credit condition of our major customers could also materially and adversely affect our collection of trade receivables from them. If significant amounts due to us are not settled on time, we may need to incur additional significant write-down and our liquidity and cash flow may be adversely affected.

RISKS RELATING TO OUR OPERATIONS

Our primary operating locations handle and store hazardous and radioactive materials. If our products and services are produced improperly or contaminated, our reputation, business, financial condition and results of operation may be materially and adversely affected. Meanwhile, we are also subject to regulations that govern the handling of hazardous substances.

We are subject to the PRC national and local laws and regulations that govern the handling, transportation, production, use, storage, disposal and sale of certain hazardous and potentially hazardous substances used in connection with our operations and products. Some risk of environmental and property damage and environmental liabilities, including potential clean-up liability relating to currently or formerly owned or operated sites or third-party disposal sites and liabilities relating to the exposure to hazardous substances, is inherent in our operations and the products and services we produce, provide or sell. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their production, which would increase our costs and reduce our sales. Our facilities handle and store radioactive materials and radioactive production equipment. The regular usage of our production facilities involves disposal of waste gas, waste water and waste residues. A significant release of radioactivity, which could result from, among other things, a natural disaster, an accident, equipment failure, human error, an act of terrorism or a transportation accident, could result in employees and/or the public being exposed to radiation.

In addition, we are exposed to risks inherent in the production, packaging, sale and marketing of our products and services, such as unsafe, ineffective, defective or contaminated products and services, improper filling of products and services, insufficient or improper labeling of products and services. If any of these happens, we may be subject to product recall or withdrawal, removal of regulatory approvals for such products and services or the relevant production facilities and exposure to lawsuits relating to such products and services.

Our operations pose the risk of accidental contamination or injury caused by the use of hazardous materials and/or the certain of hazardous substances, including radioactive substances and other highly regulated substances. In the event of such an accident, we could be held liable for result from such liability, including reputational damage resulting in the loss of additional business from certain customers. In addition, if our suppliers of such hazardous materials and substances are found by government authorities to have operated their business without requisite approvals, licenses or permits or otherwise to be in violation of applicable laws and regulations, they may be ordered to take rectification actions or cased operations. Any of these actions may have a material adverse effect on our business and impose additional costs on us.

The loss of any key members of our senior management team or our inability to attract and retain highly skilled and qualified employees could adversely affect our business.

We are highly dependent the expertise and insights of our senior management. In addition, recruiting and retaining qualified scientific, clinical, manufacturing and sales personnel in the future will also be critical to our success. The loss of services of any of these individuals could delay or prevent the successful development of our product candidates and achievement of our commercialization objectives.

Although we have not historically experienced unique difficulties in attracting and retaining qualified employees, we could experience such problems in the future. Competition for qualified employees in the radiopharmaceutical industry is intense and the pool of qualified candidates is limited, given the limited history of the radiopharmaceutical industry in China. The departure of one or more of our senior management or key personnel, regardless of whether or not they join a competitor or form a competing company, may subject us to risks relating to replacing them in a timely manner or at all, which may disrupt our operations and have a material and adverse effect on our business and results of operations. In addition, we will need to hire additional employees as we build and expand our commercialization team. We may not be able to attract and retain qualified employees on acceptable terms.

As we have significantly increased the size and capabilities of our organization since our inception, we may experience difficulties in managing our growth.

As our development and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. Our recent and any future growth will impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our relationships with third parties, including suppliers and partners;
- managing our internal development efforts effectively, including the clinical and regulatory authority review process for our product candidates, while complying with our contractual obligations to contractors and other third parties; and

- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize our product candidates will depend, in part, on our ability to effectively manage our growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to implement our long-term development strategies.

If we are not able to effectively manage our growth and further expand our organization, we may not be able to successfully develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals. Our failure to do so could materially adversely affect our business, financial condition, results of operations and prospects.

Our Directors, employees, principal investigators, commercial partners and independent contractors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could harm our reputation and subject us to penalties and significant expenses that have a material and adverse effect on our business, financial condition and results of operations.

We are subject to the anti-bribery laws of various jurisdictions, particularly in China and the U.S. As our business expands, the applicability of the anti-bribery laws to our operations will increase. We may be exposed to fraud, bribery or other misconduct committed by our employees, principal investigators, commercial partners and independent contractors that could subject us to financial losses and sanctions imposed by government authorities, which may adversely affect our reputation. Our procedures and controls to monitor compliance with anti-bribery law may fail to protect us from reckless or criminal acts committed by our employees or other commercial partners. We could be liable for actions taken by them that violate anti-bribery, anti-corruption and other related laws and regulations in China, the U.S. or other jurisdictions. The government authorities may limit the sales of the products involved in any illegal or improper conduct engaged in by our employees or commercial partners. We may be subject to claims, fines or suspension of our operations. Our reputation, our **[REDACTED]** activities or the **[REDACTED]** of our H Shares could be adversely affected if we are associated with any negative publicity as a result of illegal or improper actions, or allegations of illegal or improper actions, taken by our employees or commercial partners.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, or other misconduct involving employees and other third parties that had any material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in future. Any such misconduct committed against our interests, including past acts that have gone undetected or future acts, may have a material adverse effect on our business and results of operations.

Developments in the economic, political or social conditions in our major operation location may materially and adversely affect our business, financial condition, results of operations and prospects.

We generate a substantial portion of our revenue from our operations in China. Accordingly, our business, results of operations, financial condition and prospects are subject to and influenced by the economic, political and social conditions in China. The PRC economy has experienced significant growth over the past decades since the implementation of China's reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. The overall economic growth is influenced by the governmental regulations and policies in relation to capital investments, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. If the business environment in China changes, our business and its growth prospects may be adversely affected.

We cannot predict future changes in China's economic, political and social conditions and the effect that new government policies would have on our business and prospects. Any actions and policies adopted by the PRC government could adversely affect our business, results of operations, financial condition and competitive position.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. In addition to the intellectual properties related litigations we may face as mentioned in "– We may become involved in lawsuits to protect or enforce our intellectual property, or we may be sued for infringing, misappropriating or otherwise violating the intellectual property rights of third parties, which could be expensive, time-consuming and unsuccessful," we may also be involved in disputes or litigations relating to other issues, among others, breach of contract, environmental matters, and employment. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to actions taken by our counterparties, such as our suppliers, CROs, CMOs and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

The occurrence of any future currency exchange rate fluctuations could have a material adverse effect on our business, financial condition, results of operations, and prospects.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by a number of factors, such as changes in the global economic conditions and the fiscal and foreign exchange policies. With the development of foreign exchange market and progress towards interest rate liberalisation and Renminbi internationalisation, the PRC government may in the future announce further reforms to the exchange rate system. We cannot assure you that the exchange rates of Renminbi against the Hong Kong dollar or the U.S. dollar will not change in the future.

The **[REDACTED]** from the **[REDACTED]** will be received in Hong Kong dollars. As a result, any change in the exchange rate of the Renminbi to the U.S. dollar, the Hong Kong dollar or any other foreign currencies may affect the value of our **[REDACTED]** from the **[REDACTED]**, and the value of, and any dividends payable on, our H Shares in foreign currencies. Further, there is no assurance that we will, at a certain exchange rate, have sufficient foreign currencies to meet our demand (if any) for foreign currencies in the future. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

We may engage in acquisitions or strategic partnerships in the future, which may increase our capital requirements, cause dilution for our Shareholders, cause us to incur debt or assume contingent liabilities or subject us to other risks.

From time to time, to enhance our growth, we may evaluate various acquisition and strategic partnership opportunities that we believe would benefit us in terms of product development, technology advancement or sales network. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including:

- substantial time and expenses incurred during negotiation, which do not guarantee the successful consummation of an acquisition or strategic partnership;
- impact on our financial results, such as occurrence of goodwill impairment charges and amortization expenses for intangible assets;
- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel, or failure to otherwise achieve intended synergies in the combined operations;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and regulatory approvals;

- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs; and

- deficiencies in internal controls, data adequacy and integrity, product quality and regulatory compliance, and product liabilities in the acquired business we discover after such acquisition, which may subject us to penalties, lawsuits or other liabilities.

We may not be able to identify attractive targets, and we have limited experience in acquisitions. In addition, we may not be able to successfully acquire the targets identified despite spending a significant amount of time and resources on pursuing such acquisition. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services from both an engineering and a sales and marketing perspective, integrate and support preexisting supplier and customer relationships, coordinate research and development efforts, and consolidate duplicate facilities and functions. The geographic distance between companies, the complexity of the technologies and operations being integrated, and the disparate corporate cultures being combined may increase the difficulties of integrating an acquired company or technology. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses, and acquire intangible assets that could result in significant future amortization expense.

Increased labor costs may slow our growth and affect our operations.

Since our operations are labor-intensive and our operations, to a certain extent, require the use of technical skills and know-how of our employees, our success depends in part on our ability to attract, retain and motivate a sufficient number of qualified employees. We have implemented a number of initiatives in an effort to attract, retain and motivate our qualified and competent staff. There is no assurance that these measures will be effective or that supply of skilled labor in local markets will be sufficient to fulfil our needs. Competition for competent and skilled labor is intensive in the industry. Our failure to hire and retain enough skilled employees could delay the anticipated preclinical studies or clinical trials timeframe or receipt of regulatory approvals to commercialize our product candidates, or result in our expenses exceeding our initial budget. Any of the foregoing changes could have a material adverse effect on our business, profitability and prospects.

Further, substantially our entire workforce is employed in China. The average labor cost in China has been steadily increasing over the past years as a result of government-mandated wage increases and other changes in the PRC labor laws. Further changes in the labor laws, rules and regulations may be promulgated by the Chinese government in the future and our operations may be materially adversely affected if such laws, rules or regulations impose additional burden on the employers. The labor cost will continue to increase in the future which is in line with the economic growth in China. Competition for employees would require us to pay higher wages, which would result in higher labor costs.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under the PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. However, our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our facility or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may negatively impact our product development and overall operations.

We are subject to risks associated with our leased properties.

As of the Latest Practicable Date, we leased 13 properties with an aggregate GFA of approximately 11,344.2 sq.m. in China. Upon expiration of the leases, we will need to negotiate for renewal of the leases and may have to pay increased rent. We cannot assure you that we will be able to renew our leases on terms which are favorable or otherwise acceptable to us, or at all. If we fail to renew any of our leases or if any of our leases are terminated or if we cannot continue to use any of our leased property, we may need to seek an alternative location and incur expenses related to such relocation, and our operation and businesses may also be disrupted or even suspended if we are not able to complete the relocation, including the reconstruction of relevant facilities in the new location, in a timely manner. In addition, in accordance with our operation demands and business strategies, we may decide to cease leasing certain properties during the ordinary course of business before the expiration of the leases. We cannot assure you that we can renew or renegotiate lease agreements or enter into supplementary agreements with lessors in a timely manner. If we are unable to reach favorable terms or terminate leases as planned, we may be required to continue paying rent under the terms of the original leases, even for properties we no longer use, which could result in unnecessary expenditures that adversely impact our financial performance. Additionally, in the event of disagreements over lease termination terms or payments with the lessor, we may face lawsuits from the lessor to require for compensation, penalties, or damages, which could lead to financial liabilities, reputational harm, and additional legal costs. The inability to adapt our leasing arrangements in response to changing business needs may also limit our flexibility to optimize operational costs. As a result, we could face higher fixed costs, which may weaken our ability to allocate resources to other strategic priorities.

Moreover, under PRC laws, all lease agreements must be registered with the local housing authorities. As of the Latest Practicable Date, eight of our leased agreements with an aggregate GFA of 2,225.8 sq.m. had not been registered with the relevant PRC authorities primarily due to the difficulty of procuring our lessors' cooperation to register such leases. The registration of such leases will require the cooperation of our lessors. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered. As advised by our PRC Legal Adviser, the failure to register the lease agreements would not affect the validity of the lease agreements. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be RMB80,000, which we believe immaterial. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions because of our failure to register the lease agreements. However, we may still be subject to fines for the failure to register the lease agreements, which could disrupt our financial conditions and results of operations.

Our risk management and internal control systems may not fully protect us against various risks inherent in our business.

We have established risk management and internal control systems consisting of the relevant risk management policies and risk control procedures to manage our risk exposures, primarily our operational risks, legal risks and financial risks. However, we may not be successful in implementing our risk management and internal control systems. While we seek to continue to enhance such systems from time to time with future expansion of our business, we cannot assure you that our risk management and internal control systems are adequate or effective notwithstanding our efforts, and any failure to address any potential risks and internal control deficiencies could materially and adversely affect our business, financial condition and results of operations.

Since our risk management and internal control systems depend on the implementation by our employees, we cannot assure you that all of our employees will adhere to such policies and procedures, and the implementation of such policies and procedures may involve human errors or mistakes. Moreover, our growth and expansion may affect our ability to implement stringent risk management and internal control policies and procedures as our business evolves. If we fail to timely adopt, implement and modify, as applicable, our risk management and internal control policies and procedures, our business, financial condition and results of operations could be materially and adversely affected.

Our internal information technology systems, or those used by our CROs, CMOs or other contractors, may fail or suffer security breaches.

Despite the implementation of security measures, our information technology systems and those of our current or future CROs, CMOs and other service providers are vulnerable to damage from cyber-attacks, computer viruses, malicious codes, unauthorized access, employee theft or misuse, natural disasters, fire, power loss, terrorism, war, and telecommunication and electrical failures, among other things. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our research and development programs. For example, our data may not be backed up in a timely manner and the loss of clinical trial data from ongoing or future clinical trials for any of our product candidates could result in delays in regulatory approval efforts and significantly increase costs to recover or reproduce the data. To the extent that any disruption or security breach may result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our product candidates could be delayed. In addition, a security breach may result in the loss of, damage to, or public disclosure of personally identifiable information, and such an event could have serious negative consequences, including disputes, regulatory action, investigation, litigation, fines, penalties and damages, and time-consuming and expensive litigation, any of which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

Our reputation is important to our business success, and damage to our reputation may adversely affect our business.

We, our Shareholders, Directors, officers, employees, collaboration partners, suppliers, or other third parties we cooperate with or rely on may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees, collaboration partners, suppliers or other third parties we work with or rely on were non-compliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. Any negative publicity regarding our industry could also affect our reputation and commercialization. As a result, we may be required to spend significant time and incur substantial costs to respond and protect our reputation, and we cannot assure you that we will be able to do so within a reasonable period of time, or at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.

Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

Our business could be adversely affected by the effects of epidemics, including COVID-19, avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola or another epidemic. Any such occurrences could cause severe disruption to our daily operations and may even require a temporary closure of our offices and laboratories.

Changes in international trade policies may affect our business operations.

Governments around the world may make significant changes in their trade policies and/or take certain actions that may materially impact international trade, such as imposing several rounds of tariffs. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our product products and future approved product candidates, the competitive position of our product products and future approved product candidates, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to product development and production, or may prevent us from selling our products and future approved product candidates in certain countries. For example, since we currently procure and plan to continue procuring radioisotopes produced by foreign manufacturers, the changes in international trade and political relations, as well as the import

and export regulations of relevant countries may affect our radioisotope procurement. If any new tariffs, legislation and regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations.

The evolving trade disputes may escalate going forward and may result in certain types of goods, such as advanced research and development equipment and materials, becoming significantly more expensive to procure from overseas suppliers or even becoming illegal to export. Furthermore, there can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships among the relevant countries or regions. Trade disputes, tensions and political concerns among the relevant countries or regions may therefore adversely affect our business, financial condition, results of operations, cash flows and prospects.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and there can be no assurance that an active market would develop, and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

No public market currently exists for our H Shares. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations between our Company and the **[REDACTED]** (on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the **[REDACTED]** of the H Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, the H Shares. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and liquid **[REDACTED]** market for our H Shares will develop, especially during the period when a certain portion of our H Shares may be subject to lock-up, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the **[REDACTED]** or **[REDACTED]** of the H Shares will not decline following the **[REDACTED]**.

In addition, the **[REDACTED]** and **[REDACTED]** of the H Shares may be subject to significant volatility in responses to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the **[REDACTED]** of the H Shares of other companies engaging in similar business may affect the **[REDACTED]** and **[REDACTED]** of our H Shares. In addition to market and industry factors, the **[REDACTED]** and **[REDACTED]** of our H Shares may be highly volatile for specific business reasons, such as the results of clinical trials of our product candidates, the results of our applications for approval of our product candidates, regulatory developments affecting the pharmaceutical markets, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and substantial dilution and may experience further dilution in the future.

The **[REDACTED]** of our H Shares is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the our H Shares in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** net tangible asset value.

In order to expand our business, we may consider **[REDACTED]** and **[REDACTED]** additional Shares in the future. Purchasers of the our H Shares may experience dilution in the net tangible asset value per share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to the Share Schemes, which would further dilute Shareholders' interests in our Company.

Future [REDACTED] or perceived [REDACTED] of our H Shares in the public market by major Shareholders following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

Future **[REDACTED]** or perceived **[REDACTED]** by our existing Shareholders of our H Shares after the **[REDACTED]** could result in a significant decrease in the prevailing **[REDACTED]** of our H Shares. Only a limited number of the H Shares currently outstanding will be available for **[REDACTED]** or **[REDACTED]** immediately after the **[REDACTED]** due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future **[REDACTED]** of significant amounts of our H Shares in the public market or the perception that these **[REDACTED]** may occur could significantly decrease the prevailing **[REDACTED]** of our H Shares and our ability to raise equity capital in the future.

Because we do not expect to pay dividends in the foreseeable future after the [REDACTED], you must rely on [REDACTED] of our H Shares for a return on your [REDACTED].

We currently intend to retain most, if not all, of our available funds and any future earnings after the **[REDACTED]** to fund the research and development, regulatory filings and commercialization of our product candidates. As a result, we might not pay any cash dividends in the foreseeable future. Therefore, you should not rely on an **[REDACTED]** in our H Shares as a source for any future dividend income. For more details on our dividend policy, see "Financial Information – Dividends."

We cannot make fundamental changes to our business without the consent of the Stock Exchange.

Without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in our principal business activities as set forth in this document. As a result, we may be unable to take advantage of certain strategic transactions that we might otherwise choose to pursue in the absence of Chapter 18A. Were any of our competitors that are not **[REDACTED]** on the Stock Exchange to take advantage of such opportunities in our place, we may be placed at a competitive disadvantage, which could have a material adverse effect on our business, financial condition and results of operations.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net **[REDACTED]** from the **[REDACTED]** in ways you may not agree with or that do not yield a favorable return to our Shareholders. We plan to use the net **[REDACTED]** from the **[REDACTED]** to, among other things, conduct clinical trials in China on our product candidates and to expand our sales and marketing staff in preparation for the approval and commercialization of our product candidates. For details, see "Future Plans and Use of **[REDACTED]**." However, our management will have discretion as to the actual application of our net **[REDACTED]**. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net **[REDACTED]** from this **[REDACTED]**. You will not have the opportunity, as part of your investment decision, to assess whether **[REDACTED]** are being used appropriately. The net **[REDACTED]** may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase the **[REDACTED]** of H Shares. The net **[REDACTED]** from the **[REDACTED]** may be placed in investments that do not produce income or that lose value.

Facts, forecasts and statistics in this document relating to radiopharmaceutical markets may not be fully reliable.

Facts, forecasts and statistics in this document relating to the radiopharmaceutical industry in and outside China are obtained from various sources, including information provided or published by government agencies, and we can guarantee neither the quality nor reliability of such source materials. We believe that the information originated from appropriate sources and was extracted and reproduced after taking reasonable care. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, the information from official government sources has not been independently verified by us, the Joint Sponsors, the **[REDACTED]**, the **[REDACTED]**, any of their respective directors, employees, agents or advisers or any other person or party involved in the **[REDACTED]**, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. Accordingly, the information from official government sources contained herein should not be unduly relied upon. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this document is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this document, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

RISK FACTORS

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

Subsequent to the date of this document but prior to the completion of the **[REDACTED]**, there may be press and media coverage regarding us and the **[REDACTED]**, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We do not have sufficient control over the press and media coverage, and analysts might issue negative views or recommendations on us, which could have an adverse effect on the **[REDACTED]** of H Shares. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their **[REDACTED]** decisions on the basis of the information contained in this document only and should not rely on any other information.

You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in making your **[REDACTED]** decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to **[REDACTED]** in the **[REDACTED]**. By **[REDACTED]** our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the **[REDACTED]**.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the **[REDACTED]**, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Mr. YU Wenbin (虞文彬) and Ms. AU Wing Sze (區詠詩) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number, email address and fax number (if any)) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

(d) we have appointed Rainbow Capital (HK) Limited as our compliance adviser upon the **[REDACTED]** pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the **[REDACTED]** and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**. Our compliance adviser, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the authorized representatives are not available, will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules; and

(e) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through our authorized representatives or our compliance adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. YU Wenbin (虞文彬) ("**Mr. Yu**"), our executive Director, secretary to the Board and chief financial officer, as one of our joint company secretaries. He has considerable experience in securities and investments matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. AU Wing Sze (區詠詩) ("**Ms. Au**"), an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries), who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Yu for an initial period of three years from the **[REDACTED]** to enable Mr. Yu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Given Ms. Au's professional qualifications and experience, she will be able to explain to both Mr. Yu and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Au will also assist Mr. Yu in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Au is expected to work closely with Mr. Yu and will maintain regular contact with Mr. Yu, our Directors and the senior management of our Company. In addition, Mr. Yu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the **[REDACTED]**. He will also be assisted by our compliance adviser and our legal advisers as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Yu does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yu may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the **[REDACTED]** on the conditions that (a) Mr. Yu must be assisted by Ms. Au who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Au ceases to provide assistance to Mr. Yu as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Yu will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. Yu, having benefited from the assistance of Ms. Au for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

EXEMPTION FROM COMPLIANCE WITH SECTION 342(1)(B) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE AND PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all documents to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires a company to include in its document a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the document, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance further requires a company to include in its document a report by the auditors of the company with respect to (i) the profits and losses of the company for each of three financial years immediately preceding the issue of the document and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus.

Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from the compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document be included in the accountants' report to its prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Rule 18A.03(3) of the Listing Rules requires that a biotech company must have been in operation in its current line of business for at least two financial years prior to listing under substantially the same management. Rule 18A.06 of the Listing Rules requires that a biotech company must comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in Rule 4.04 shall instead be references to "two financial years" or "two years", as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the listing document.

In compliance with the abovementioned requirements under the Listing Rules, the Accountants' Report is prepared to cover the financial years ended December 31, 2023 and 2024.

As such, the Joint Sponsors have applied, on behalf of our Company, to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the inclusion of the accountants' report covering the full three financial years immediately preceding the issue of this document on the following grounds:

(a) our Company is primarily engaged in the research and development, application and commercialization of biotech products, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(b) the Accountants' Report for each of the years ended December 31, 2023 and 2024 has been prepared and is set out in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;

(c) given that our Company is only required to disclose its financial results for each of the financial years ended December 31, 2023 and 2024 in accordance with Chapter 18A of the Listing Rules and preparation of the financial results for the year ended December 31, 2022 would require additional work to be performed by our Company and our auditors, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule would be unduly burdensome for our Company;

(d) notwithstanding that the financial results set out in this document are only for the financial years ended December 31, 2023 and 2024 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements; and

(e) the Accountants' Report covering the financial years ended December 31, 2023 and 2024 (as set out in Appendix I to this document), together with other disclosures in this document, has already provided adequate and reasonable up-to-date information in the circumstances for the potential investors to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC [has granted] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that particulars of the exemption are set out in this document and that this document will be issued on or before **[REDACTED]**.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTION

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the **[REDACTED]**. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the announcement and independent shareholders' approval requirements of the continuing connected transactions as set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details in the respect, see the section headed "Connected Transactions".

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. XU Xinsheng (徐新盛)	5-3-102, Zhuxi Yuan Yayun Xinxin Jiayuan No. 1 Xindian Road Chaoyang District, Beijing PRC	Chinese
Ms. TANG Yanmin (唐艷旻)	9-4-501, No. 1 Xishan Yijing Mentougou District, Beijing PRC	Chinese
Mr. WANG Peng (王鵬)	No. 203, Unit 2, Block 5 Hepingmenwai East Street Xicheng District, Beijing PRC	Chinese
Mr. CHU Wei (儲維)	Room 928, Unit 1, Block 8 Guangda Mingzhu No. 178 Beiyuan Road Chaoyang District, Beijing PRC	Chinese
Mr. YU Wenbin (虞文彬)	1-5-1201, Xingfu Jiayuan Guangqu Road Dongcheng District, Beijing PRC	Chinese
Non-executive Directors		
Mr. CHEN Daojin (陳道金)	Room 1702, Unit 1, Block 8 Phase I, Poly Luolan Xianggu Changping District, Beijing PRC	Chinese
Dr. ZHANG Yingjie (張英傑)	Room 27A, Block 10 Caitian Cun Futian District, Shenzhen Guangdong Province PRC	Chinese

Name	Address	Nationality
Dr. YE Suofu (葉索夫)	No. 180 Huancheng Road Juyuan New District Jiading District, Shanghai PRC	Chinese
Dr. HUANG Xu (黃序)	Room 2219, Block A, Unit 3 Dongqu International, Ciyun Si Chaoyang District, Beijing PRC	Chinese
Mr. HAO Bonan (郝伯男)	2-1-603, No. 62, Balizhuang Road Haidian District, Beijing PRC	Chinese
Independent Non-executive Directors		
Ms. NI Hong (倪虹)	Shouson Hill Road No. 9 House 17B Deep Water Bay Hong Kong	Chinese
Dr. Jimmy Zhimin ZHANG	920 Darien Way San Francisco CA 94127 USA	American
Mr. WU Haidong (吳海東)	Room 176, Unit 2 No. 37, Nanxian Ge Xicheng District, Beijing PRC	Chinese
Dr. YANG Yue (楊悅)	Room 502, Unit 3 Block 12, Qinghuanyuan Street Southwest Haidian District, Beijing PRC	Chinese
Dr. KANG Cailian (康彩練)	No. 401, Unit 4, 6/F No. 6 Fengqiao Road Fengtai District, Beijing PRC	Chinese

For details with respect to our Directors, see "Directors and Senior Management" in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors *(in no particular order)*

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisers to the Company

As to Hong Kong and U.S. laws:
O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong

As to PRC laws:
Zhong Lun Law Firm
22-31/F, South Tower of CP Center
20 Jin He East Avenue
Chaoyang District, Beijing 100020
PRC

As to International Sanctions laws:
Hogan Lovells
11/F, One Pacific Place
88 Queensway
Hong Kong

Legal Advisers to the Joint Sponsors and [REDACTED]

As to Hong Kong and U.S. laws:
DLA Piper Hong Kong
25th Floor
Three Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC laws:
Commerce & Finance Law Offices
12-14th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountant	**Ernst & Young** *Certified Public Accountants and Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B Jing'an International Center 88 Puji Road Jing'an District, Shanghai PRC
	[REDACTED]

CORPORATE INFORMATION

Registered Office in the PRC	Floors 1-2, Block 1 No. 5, Tongji Road Central Beijing Economic-Technological Development Area Beijing PRC
Headquarter and Principal Place of Business in the PRC	Floors 1-2, Block 1 No. 5, Tongji Road Central Beijing Economic-Technological Development Area Beijing PRC
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.sinotau.com** *(Information contained on this website does not form part of this document)*
Joint Company Secretaries	**Mr. YU Wenbin (虞文彬)** 1-5-1201, Xingfu Jiayuan Guangqu Road Dongcheng District, Beijing PRC **Ms. AU Wing Sze (區詠詩)** *(ACG and HKACG)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay, Hong Kong
Authorized Representatives	**Mr. YU Wenbin (虞文彬)** 1-5-1201, Xingfu Jiayuan Guangqu Road Dongcheng District, Beijing PRC **Ms. AU Wing Sze (區詠詩)** *(ACG and HKACG)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay, Hong Kong

CORPORATE INFORMATION

Audit Committee	Ms. NI Hong (倪虹) *(Chairperson)* Dr. KANG Cailian (康彩練) Dr. Jimmy Zhimin ZHANG
Remuneration and Appraisal Committee	Dr. YANG Yue (楊悦) *(Chairperson)* Ms. TANG Yanmin (唐艷旻) Ms. NI Hong (倪虹)
Nomination Committee	Mr. XU Xinsheng (徐新盛) *(Chairperson)* Dr. Jimmy Zhimin ZHANG Dr. YANG Yue (楊悦)
Strategy Committee	Mr. XU Xinsheng (徐新盛) *(Chairperson)* Dr. KANG Cailian (康彩練) Mr. WU Haidong (吳海東)
Compliance Advisor	**Rainbow Capital (HK) Limited** Office No. 710, 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong

[REDACTED]

Principal Banks	**Huaxia Bank Co., Ltd. Beijing Zhongguancun Sub-branch** Room 101 and 1302 Huihuang Times Building No. 56 North 4th Ring West Road Haidian District Beijing **China Guangfa Bank Beijing Pilot Free Trade Zone International Business Service Area Sub-branch** North side of the west hall inside No. 99-3 1st Floor, Building 99 Jianguo Road Chaoyang District Beijing

The information and statistics set out in this section and other sections of this document were extracted from official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged China Insights Industry Consultancy Limited, or CIC, to prepare an independent industry report, or the CIC Report, for the **[REDACTED]**. *The information from official government sources have not been independently verified by us, the Joint Sponsors,* **[REDACTED]** *any of their respective directors, officers, employees, advisers and agents or any other persons or parties involved in the* **[REDACTED]**, *except for CIC, and no representation is given as to its accuracy.*

RADIOPHARMACEUTICALS

Radiopharmaceuticals are a distinct class of pharmaceutical products that incorporate radionuclides and are engineered to deliver them to specific biological targets for diagnostic imaging or therapeutic intervention, with primary applications in oncology, neurology, and cardiology. Both diagnostic and therapeutic products are regulated as pharmaceuticals by regulatory authorities such as the NMPA and the FDA. Compared to other pharmaceuticals, radiopharmaceuticals combine pharmaceutical science, radiochemistry, and nuclear medicine and offer a unique combination of diagnostic and therapeutic capabilities, making them highly effective in targeted treatments, where precision, low toxicity, and real-time monitoring are critical.

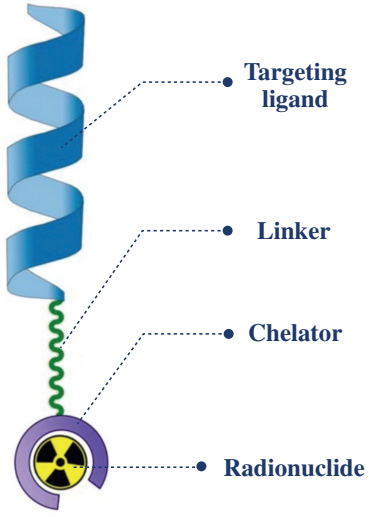
The application of radioactive isotopes in the pharmaceutical industry dates back to the 1950s, when the FDA approved ^{131}I-sodium for the diagnosis and treatment of thyroid disorders. These early radiopharmaceuticals primarily targeted organs with a natural affinity for specific isotopes. In the 1970s and 1980s, increased industry investment in diagnostic radiopharmaceuticals led to the development of SPECT tracers, which detects gamma photons emitted by isotopes such as ^{99m}Tc, ^{123}I, and ^{201}Tl. From the 1990s through the 2000s, PET gained prominence as a key imaging modality, with the approval of ^{18}F-FDG for oncology imaging marking a major milestone. PET tracers such as ^{18}F, ^{64}Cu, ^{89}Zr, and ^{68}Ga provided improved image quality and diagnostic accuracy. In the 2010s, Novartis made a transformative entry into the field with its acquisition of Advanced Accelerator Applications and Endocyte in 2017 and 2018, respectively, subsequently launching two pioneering therapeutic radioligands – Lutathera® and Pluvicto® – into the U.S. market. As a leading player in the radiopharmaceutical industry, Novartis also contributes to the adoption of theranostics, which pairs diagnostic imaging with therapeutic options. While radiopharmaceutical approvals in China have historically lagged behind the U.S. by approximately a decade, dedicated domestic innovation is rapidly narrowing the gap, positioning China to play a major role in the next wave of radiopharmaceutical development.

Radiopharmaceuticals have attracted significant investment due to its innovative potential and strong commercial prospects. Since 2021, over 80 radioligand-related transactions have been recorded globally, involving major multinational pharmaceutical companies such as Novartis, Merck, and Sanofi. The top three global business development transactions reached transaction values of approximately US$2.06 billion, US$1.63 billion, and US$487.0 million, respectively. In China, more than 15 transactions took place during the same period. As industry recognition grows and competition intensifies, companies are actively pursuing differentiated products to drive innovation. Radioligands are expected to follow a trajectory similar to that of ADCs, transitioning from a phase of rapid development to one of market maturity.

As such, the radiopharmaceuticals market has witnessed substantial growth and is expected to maintain this momentum, driven by national strategic initiatives, supportive regulatory policies, increased investment from multinational corporations, and continued advancements in imaging technologies and radioligand therapies. Globally, its market size increased from US$5.0 billion in 2018 to US$9.7 billion in 2024, reflecting a CAGR of 11.7%. It is projected to reach US$57.3 billion in 2035, representing a CAGR of 17.5% from 2024 to 2035. Similarly, in China, the market grew from RMB3.6 billion in 2018 to RMB7.4 billion in 2024, with a CAGR of 13.0%. By 2035, it is expected to reach RMB75.8 billion, marking a CAGR of 23.5% from 2024 to 2035.

Radioligands

Based on their composition, radiopharmaceuticals are generally classified into three main categories: (1) free radionuclides, (2) radioligands, and (3) radioactive nano-or microparticles. Among these, radioligands are regarded as a key driver of growth in the radiopharmaceutical industry. They are typically composed of four main components: a targeting ligand, a linker, a chelator, and a radionuclide. The targeting ligand, such as a small molecule, peptide, or antibody, guides the radioligand to specific biological targets, such as receptors overexpressed on tumor cells. The linker bridges the targeting ligand and the chelator, which binds and stabilizes the radionuclide during systemic circulation.



Source: China Insights Consultancy

Radionuclides, or radioisotopes, are the core functional components in the development of radioligands. These isotopes emit radiation, such as alpha (α), beta (β), or gamma (γ) rays, which can be harnessed for either therapeutic or diagnostic purposes. Alpha particles are positively charged particles composed of two protons and two neutrons, known for their high ionizing ability. They deliver 400 times more linear energy than beta particles, enabling highly precise tumor targeting, stronger therapeutic effects on small lesions, and reduced damage to normal cells, though requiring high delivery precision. Beta particles are high-speed electrons or positrons with either a negative or positive charge. They are more widely used due to their broader killing range, lower precision requirements, and more mature development. Gamma rays, with the strongest penetration among the three, are primarily used in disease imaging and diagnosis.

In radiopharmaceutical development, radionuclides are carefully selected based on their physical half-lives, types of radiation emitted, and chemical properties to match the intended medical application. Therapeutic radionuclides, such as ^{131}I, ^{177}Lu, or ^{225}Ac, emit cytotoxic particles (α or β) that destroy targeted diseased cells, such as cancer cells, while minimizing damage to surrounding healthy tissue. Diagnostic radionuclides, like ^{18}F, ^{99m}Tc, or ^{68}Ga, typically emit γ-rays or positrons and are used in imaging techniques, such as PET and SPECT to visualize biological processes in real time. The integration of radioactive isotopes into biologically active molecules, via linkers and chelators, enables the creation of radioligands with high specificity and precision, making radionuclides essential for the advancement of targeted diagnosis, therapy, and theranostics.

Therapeutic radioligands are designed to deliver targeted radiation directly to cancer cells or other disease sites. They consist of a targeting ligand that binds to specific receptors or antigens on the target cells and is conjugated to a radionuclide emitting cytotoxic radiation. Upon binding, the radioligand is internalized by the cell, and the emitted radiation causes DNA damage, leading to cell death or arrest, with minimal damage to surrounding healthy tissues. Diagnostic radioligands, on the other hand, emit signals detectable by imaging techniques like PET or SPECT. These radioligands bind to specific targets and emit radiation that generates high-resolution images for targeted lesion detection, staging, and monitoring. Theranostics utilizes the same or similar targeting ligands with both diagnostic (e.g., γ-emitters for imaging) and therapeutic (e.g., α/β-emitters for therapy) radionuclides. In this case, the diagnostic radioligand can be used for imaging to visualize the tumor or disease site, and therapeutic radioligand with the same or a similar targeting ligand can be used for delivering therapeutic radiation directly to the target.

Radioligands offer unique advantages in targeted therapy and integrated diagnosis and treatment. The unique cytotoxic mechanism of radioligands, which targets cells via radiation, helps overcome drug resistance commonly seen with other therapeutic approaches, improving long-term efficacy for refractory tumors. The diagnostic process with radioligands is non-invasive, safe, minimally painful, and associated with relatively low radiation risks. Their shared ligand-linker platform allows for the interchangeable use of diagnostic (γ-emitting) and therapeutic (α/β-emitting) radionuclides, enabling a seamless transition from diagnosis to precision treatment and real-time monitoring of therapeutic effects. Theranostic modality allows real-time monitoring of treatment efficacy and adjustments based on imaging results, ensuring precise treatment with minimal damage to healthy tissues, thereby enhancing overall tumor management. Furthermore, radioligands demonstrate strong potential for combination with various treatment modalities, including nuclear therapy, immunotherapy, and chemotherapy, with promising phase-wise progress and excellent safety profiles. Below is a comparison of radioligands with other modalities in the pharmaceutical industry:

Category	Radioligands	Small Molecules	Monoclonal Antibodies (mAbs)	Antibody-Drug Conjugates (ADCs)
Mechanism of Action	Use radioactive isotopes to diagnose (via imaging) or treat (via cytotoxic radiation) targeted cells	Interact with intracellular or extracellular targets to modulate biological pathways	Bind to specific extracellular targets (e.g., receptors or antigens)	Combine antibody specificity with cytotoxic small molecule chemical payload for targeted killing
Delivery	Injectable ("**IV**"); localized radiation effect	Oral or IV; broad distribution	Usually IV; limited tissue penetration	IV; tumor-selective release of cytotoxin
Half-life/Dosing Frequency	Short half-life isotopes (hours to days); single or infrequent doses	Short half-life; frequent dosing (often daily)	Long half-life; less frequent dosing (weekly to monthly)	Long half-life; dosing every few weeks

Category	Radioligands	Small Molecules	Monoclonal Antibodies (mAbs)	Antibody-Drug Conjugates (ADCs)
Onset of Action	Can be rapid (especially for therapeutic isotopes)	Often fast	Slower onset; time to engage immune system or receptor	Moderate onset; depends on release of cytotoxin
Therapeutic Window	Broad; low off-target toxicity due to localized radiation	Often narrow due to off-target effects	Generally favorable	Depends on stability of linker and specificity of targeting
Drug Resistance	Low-level resistance due to physical damage effects	High-level resistance due to genetic mutations	High-level resistance via antigen loss/modulation and immune evasion	Strong complex resistance mechanisms involving both antibody and payload
Diagnostic Use	Direct use in PET/SPECT imaging (theranostics)	Rare	Only with radiolabeled variants	Rare, still under exploration
Manufacturing Complexity	High – requires radiochemistry, isotope handling, and special logistics	Low – well-established chemical synthesis	High – biologics production in living cells	Very high – combines biologics + linker + small molecule payload
Regulatory Pathway	Complex – often includes diagnostic + therapeutic review; requires nuclear medicine infrastructure	Standardized, well-known	Relatively complex – includes biologics-specific review	Highly complex – includes biologics and cytotoxin safety evaluation
Clinical Areas	Oncology (especially prostate, NETs), emerging in neurology and cardiology	Broad: oncology, cardiology, infectious disease, etc.	Oncology, autoimmune, inflammation	Primarily oncology, emerging in autoimmune and inflammation

Source: China Insights Consultancy

As of the Latest Practicable Date, over ten radioligands had received marketing approval worldwide. Among them, Novartis' Pluvicto®, a radioligand for prostate cancer treatment, generated approximately US$1.4 billion in revenue in 2024, while Lutathera®, a radioligand for GEP-NET treatment, achieved approximately US$724.0 million in revenue during the same period. The prostate cancer imaging agent Pylarify® by Lantheus also surpassed US$1 billion in annual sales in 2024, highlighting the growing impact and commercial success of radioligands. With radioligands emerging as a highly promising modality, business development activity in this field has surged in recent years.

Top 5 Best-selling Radiopharmaceuticals Worldwide

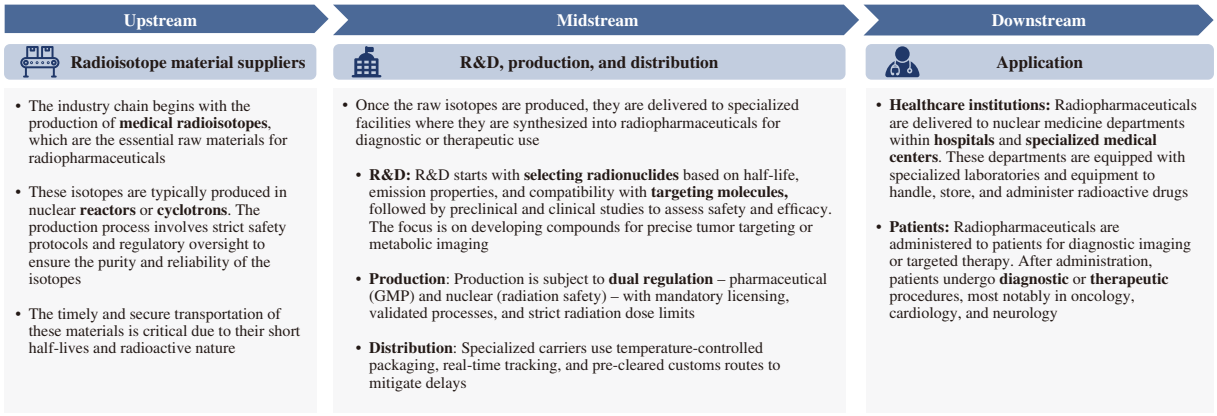
Brand Name	Target	Radionuclide	Structure/ MoA	Company	Clinical Modality	Indications	Initial Approval Date	Global Sale Revenue in 2024 (million USD)
Pluvicto®	PSMA	^{177}Lu	^{177}Lu-Vipivotide tetraxetan	Norvatis	Therapeutic	Adult patients with PSMA-positive mCRPC who have been treated with ARPI therapy	2022-03-23	1,390
Pylarify®	PSMA	^{18}F	^{18}F-Piflufolastat	Lantheus	Diagnostic	PET of PSMA positive lesions in men with prostate cancer	2021-05-26	1,058
Illuccix®	PSMA	^{68}Ga	^{68}Ga-PSMA-11	Telix	Diagnostic	PET of PSMA positive lesions in men with prostate cancer	2021-12-17	783
Lutathera®	SSTR	^{177}Lu	^{177}Lu-DOTATATE	Norvatis	Therapeutic	Adult and pediatric patients 12 years and older with SSTR-positive GEP-NETs	2018-01-26	724
Xofigo®	Hydroxyapatite	^{223}Ra	^{223}Ra-dichloride	Bayer	Therapeutic	Patients with CRPC, symptomatic bone metastases and no known visceral metastatic disease	2013-05-15	250

Source: Annual reports, China Insights Consultancy

Value Chain of Radiopharmaceutical Industry

The radiopharmaceutical industry chain is highly specialized and regulated to ensure the safe and effective delivery of radioactive drugs from raw material production to patient administration. It comprises three main segments. Upstream involves the supply of radionuclides, which are primarily produced using reactors, cyclotrons, and other advanced technologies. This segment is characterized by high technical and regulatory barriers. The midstream segment includes the research and development, manufacturing, and distribution of radiopharmaceuticals, where pharmaceutical companies, production facilities, and distribution networks work together to maintain product quality and ensure timely delivery given the short half-lives of radionuclides. Downstream includes medical institutions and patients, with hospitals must be equipped with specialized facilities and trained personnel to safely administer radiopharmaceuticals to patients.

Value Chain of Radiopharmaceutical Industry



Source: China Insights Consultancy

Entry Barriers

- ***Strict Regulations.*** The approval, registration, and distribution of radionuclides and radiopharmaceuticals in China involve multiple regulatory authorities and stringent requirements. Key agencies include the Ministry of Ecology and Environment, the NMPA, and the State Administration of Science, Technology and Industry for National Defense. Activities such as radionuclide procurement, R&D, manufacture, and market distribution require licenses for radiation safety, manufacturing, usage, and transportation. Compliance with laws, such as the Regulations on the Safety and Protection of Radioactive Isotopes and Radiation Devices (《放射性同位素與射線裝置安全和防護條例》) and Administrative Measures for Radiopharmaceuticals (《放射性藥品管理辦法》) is mandatory. Clinical studies must be conducted in licensed hospitals with GCP-registered nuclear medicine departments. Additionally, import and transport of radionuclides require safety assessments, certificates for transportation of radionuclides, and approvals from environmental authorities. Radiopharmaceutical manufacturing and business licenses are valid for five years and must be renewed, with only approximately 20 companies in China currently holding the manufacturing licenses according to the public record. For details regarding the relevant regulations, see "– Regulatory Overview."

- ***Supply Chain Challenges.*** Diagnostic radionuclides generally have short half-lives ranging from minutes to several hours (e.g., ^{13}N: approximately 0.2 h, ^{18}F: approximately 1.8 h, and ^{99m}Tc: approximately 6 h). In contrast, therapeutic radionuclides have longer half-lives, typically ranging from several days to approximately two weeks (e.g., ^{177}Lu: approximately 6.7 days, ^{225}Ac: approximately 9.9 days, and ^{223}Ra: approximately 11.4 days). Due to the short half-life of radionuclides (approximately one to three days), radiopharmaceuticals must be produced on demand and delivered in time to nearby hospitals, as they cannot be stored long-term or transported over long distances. Additionally, due to strict transportation regulations, nuclear medicine logistics are constrained, with only a limited number of airlines authorized to transport radiopharmaceuticals.

- ***Isotope Shortage.*** China has achieved self-sufficiency in reactor-produced medical isotopes, but the supply still falls short of domestic demand, with most clinically used isotopes relying on imports. Despite infrastructure expansion, radiopharmaceuticals derived from reactor-produced isotopes face challenges such as limited variety, lack of sufficient R&D innovation, and small-scale production, which hinders the ability to meet clinical needs and exacerbates isotope shortages.

- ***In-house R&D Capabilities.*** The development of radiopharmaceuticals is complex, requiring multidisciplinary integration, strict regulatory compliance, and demanding clinical translation. Furthermore, the shortage of specialized radiopharmaceutical CROs – due to challenges in handling radioactive isotopes, meeting nuclear safety standards, and managing the logistics of short-lived isotopes – further compounds the difficulty. This situation compels companies to rely on internal expertise and independent innovation to advance radiopharmaceuticals from concept to clinic.

- ***Talent Shortage.*** The radiopharmaceutical industry faces a significant talent shortage, which is a major constraint on its short-term growth. Despite rapid industry expansion, the supply of professionals lags behind demand. In China, only 400 to 500 individuals graduate with a nuclear medicine degree each year, primarily clinical doctors and imaging physicians, with few pursuing careers in drug development. The industry's growth highlights the increasing demand for R&D professionals, especially in radiation medicine, radiochemistry, pharmacy, and related fields. To address this gap, a joint talent training model involving collaborations between companies, universities, and research institutes is essential for developing inter-disciplinary talent. Additionally, the growing market is driving academic reform and supporting the development of a more structured talent pipeline.

Growth Drivers and Future Trends

- ***Clear Regulatory Guidance.*** China has introduced a series of regulatory reforms across the radiopharmaceutical supply chain to support industry growth. A joint release by eight ministries marked China's first official guidance on applying nuclear technology in medicine, emphasizing advancements in medical isotope development. The CDE has issued technical guidelines to fill regulatory gaps, particularly in radiation dosimetry and clinical safety, aligning gradually with international standards. Production oversight has been delegated to provincial authorities. Meanwhile, regulatory review and approval processes have been streamlined through prioritized communication, dedicated review channels, and independent evaluations.

- ***Infrastructure Construction.*** China is accelerating the development of nuclear power plants and cyclotrons to strengthen its domestic supply of medical isotopes and reduce reliance on imports. Although commonly used isotopes such as ^{131}I, ^{89}Sr, ^{177}Lu, and ^{64}Cu currently can be produced domestically, efforts are underway to expand reactor capacity and establish new production facilities to enable large-scale, localized manufacturing. Currently, hospitals are already able to produce PET radiopharmaceuticals using cyclotrons in China, which generate isotopes such as ^{18}F. Looking ahead, China plans to promote the deployment of small cyclotrons, and develop medium- and high-energy cyclotrons capable of supporting mass production of isotopes such as ^{67}Cu and ^{225}Ac.

- ***Increasing Demand for Precision Medicine.*** The approval and market launch of key therapeutic radioligands like Lutathera® and Pluvicto® have spurred global investment in radiopharmaceuticals, advancing precision nuclear medicine. The main trend is the integration of diagnostic and therapeutic processes, with each therapeutic drug paired with a corresponding diagnostic radioligands, driving the development of diagnostic radioligands alongside therapeutic ones. The development of radiopharmaceuticals is also supported by the development of two most common modalities: SPECT and PET. According to the National Nuclear Medicine Status Survey Report released by the Chinese Society of Nuclear Medicine, the number of SPECT and PET imaging devices, as well as the medical institutions equipped with them, has significantly increased, driving the rapid development of China's diagnostic radiopharmaceutical industry. In China, the number of SPECT and PET imaging has reached 1,816 in 2023, and medical institutions equipped with these imaging decides reached 1,450 during the same period, representing a CAGR of 78% and 64%, respectively since 2015.

- ***Innovation Brings Improved Clinical Benefits.*** Future radiopharmaceuticals are evolving to deliver better clinical outcomes through enhanced elimination efficiency and optimized imaging performance. Innovations of therapeutic radioligands will enable faster isotope clearance from the body, reducing radiation exposure and improving patient comfort. Imaging tracers will be designed for quicker accumulation and prolonged retention in target tissues, leading to clearer, more sensitive images and faster clinical decision-making. Future development will also emphasize improved tissue affinity, higher target-to-background ratios, and simplified, cost-effective production methods such as automated systems and cyclotron use, ultimately offering more accurate lesion localization and enhanced diagnostic precision.

MAJOR INDICATIONS

NEN

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. Based on histology, NENs are classified into two major types: well-differentiated NETs and poorly differentiated NECs. NETs are further divided into three grades, G1, G2, and G3, based on how rapidly the cancer cells divide.

GEP-NENs are a heterogeneous and complex group of tumors that originate from cells of the diffuse neuroendocrine system and are commonly found in the intestine, pancreas, and bronchopulmonary system. As a major subtype of NENs, GEP-NETs account for approximately 65% to 75% of all NENs and approximately 80% of GEP-NETs overexpress SSTRs. In 2024, there were an estimated 557,200 NEN patients worldwide, a number projected to rise to 755,200 in 2035. In China, there were approximately 60,300 NEN patients in 2024, with projections indicating an increase to 73,500 in 2035.

Diagnosis of NEN

The clinical diagnosis of NENs involves a combination of symptom assessment, laboratory testing, imaging, endoscopy, and pathological analysis. Functional NETs manifest with hormone-related syndromes such as hypoglycemia or Zollinger-Ellison syndrome, while non-functional tumors are often asymptomatic and present symptoms only when the tumor becomes large or metastatic. Laboratory testing includes tumor markers like chromogranin A ("**CgA**") and neuron-specific enolase ("**NSE**"), and hormone/metabolite analysis specific to tumor types (e.g., insulin, gastrin, 5-HIAA). Imaging techniques include contrast-enhanced CT/MRI, ultrasound, and endoscopic ultrasound ("**EUS**"), along with molecular imaging such as SSTR-based PET/SPECT and ^{18}F-FDG PET-CT, tailored to tumor differentiation. Endoscopy and EUS are crucial for detecting and biopsying gastrointestinal lesions. Pathological diagnosis involves immunohistochemical staining for neuroendocrine and organ-specific markers, Ki-67 for grading, and molecular pathology for detecting characteristic mutations.

Diagnostic Paradigm for NENs

Clinical manifestation	Laboratory & biochemical testing	Imaging techniques	Endoscopy procedures	Pathological diagnosis
Symptoms evaluation	**Tumor markers**	**Conventional imaging**	**Endoscopy**	**Immunohistochemistry**
• **Functional tumors:** ➢ Present with endocrine syndromes due to hormone hypersecretion (e.g., hypoglycemia, Zollinger-Ellison syndrome, diarrhea) • **Non-functional tumors:** ➢ Often asymptomatic ➢ Symptoms are related to tumor size, local invasion, or metastasis (e.g., obstruction, jaundice)	• **Chromogranin A (CgA):** Common but not specific; elevated in many NETs • **Neuron-specific enolase (NSE):** Elevated in some patients	• **Contrast-enhanced CT/MRI:** Multiphase scanning for tumor localization, assessment, and staging • **Ultrasound/Endoscopic ultrasound (EUS):** Sensitive for small lesions in the pancreas, duodenum, and rectum; EUS-guided biopsy may be performed	• Essential for identification, assessment, and biopsy of GI tract lesions (stomach, duodenum, colorectum), staging, and subtyping	• CgA • synaptophysin (Syn) • Ki-67 • other neuroendocrine markers (INSM1, SSTR2, CD56) • organ-specific hormones • molecular markers (ATRX, DAXX, p53, Rb)
	Hormone & metabolite testing	**Molecular imaging**	**Endoscopic ultrasound (EUS)**	**Molecular pathology**
	• **Insulinoma:** Low blood glucose, elevated insulin, C-peptide, proinsulin • **Gastrinoma:** Elevated fasting serum gastrin, gastric acid hypersecretion. • **Carcinoid syndrome:** Elevated 24-hour urinary 5-HIAA	• **Somatostatin receptor imaging:** ^{111}In/^{99}mTc-labeled SPECT or ^{68}Ga/^{18}F/^{64}Cu-labeled PET-CT/MRI is key for well-differentiated NETs, used for localization, staging, and therapy planning • **^{18}F-FDG PET-CT:** Preferred for poorly differentiated NECs and high-grade, aggressive lesions • **Special tracers:** Such as ^{68}Ga-Exendin-4 (insulinoma), ^{18}F-DOPA (certain subtypes)	• Precise localization, assessment of invasion depth, and guidance for fine-needle aspiration biopsy	• Detection of characteristic mutations (e.g., MEN1, ATRX, DAXX in pNETs; TP53, RB1 in NECs) may assist in difficult cases

Source: Chin J Oncol, China Insights Consultancy

CT is typically the first-choice imaging modality for NENs due to its high sensitivity, acceptable specificity, and broad availability. However, it may fail to detect small pancreatic or gastrointestinal NENs, a limitation also shared by MRI. Ultrasonography presents additional constrains, including operator-dependent variability, poor penetration in fibrotic and calcified tissues, and inadequate spatial resolution, all of which collectively reduce diagnostic efficacy.

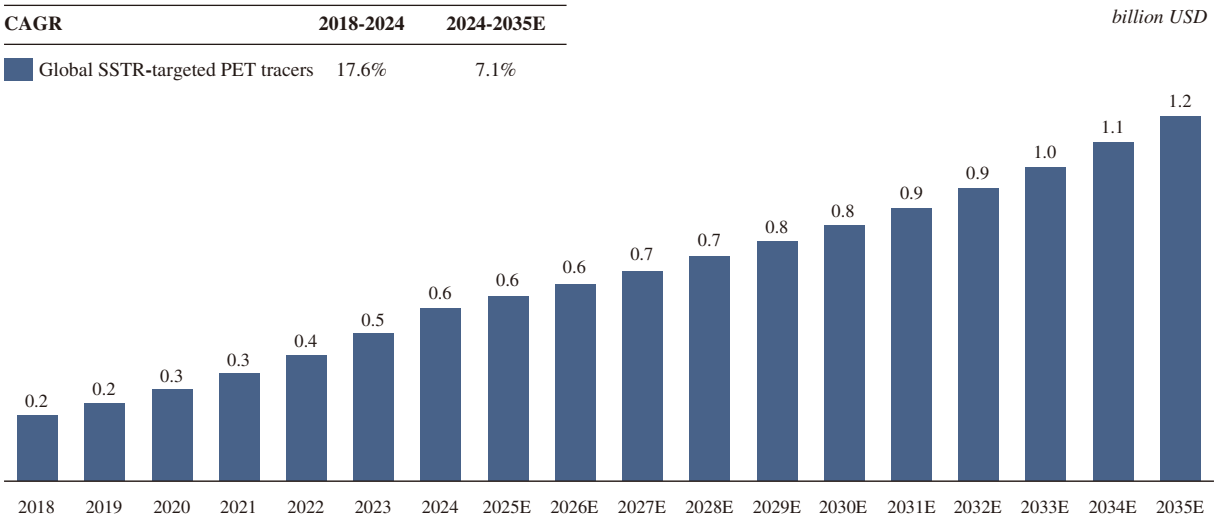
As approximately 90% of NENs express SSTRs, nuclear medicine imaging methods have become the standard approach for diagnosing and assessing NENs, particularly well-differentiated NETs. SSTR-based modalities provide critical clinical benefits, including primary tumor staging and metastatic evaluation, pre-surgical planning, detection of occult primaries in metastatic disease, patient selection for PRRT, evaluation of treatment response and prediction of disease prognosis.

SSTRs can be detected using SSTR-PET or SPECT scintigraphy. Currently, ^{68}Ga-labeled PET tracers are considered the "gold standard" for imaging NETs, while ^{111}In-DTPA-octreotide SPECT remains a useful alternative. However, ^{64}Cu-labeled PET tracers offer significant advantages over both ^{68}Ga-labeled PET tracers and ^{111}In-DTPA-octreotide in diagnosing NETs. Studies have shown that ^{64}Cu-labeled PET tracers have a superior lesion detection rate compared to ^{68}Ga-labeled PET tracers, with most of the additional lesions identified being true positives. When compared to ^{111}In-DTPA-octreotide SPECT, ^{64}Cu-labeled PET tracers detected twice as many lesions and identified additional organ involvement in one-third of patients. The improved performance of ^{64}Cu-labeled PET tracers is likely due to its lower positron range, which enhances lesion detection accuracy. Additionally, its longer shelf life (approximately 48 hours) and flexible imaging window (one to three hours) make it particularly well-suited for routine clinical use.

Market Size

The global market size for SSTR-targeted PET tracers was US$0.2 billion in 2018 and reached US$0.6 billion in 2024, with a CAGR of 17.6%. It is projected to grow to US$1.2 billion in 2035, representing a CAGR of 7.1% from 2024 to 2035.

Historical and Forecasted Global Market Size of SSTR-targeted PET Tracers, 2018-2035E



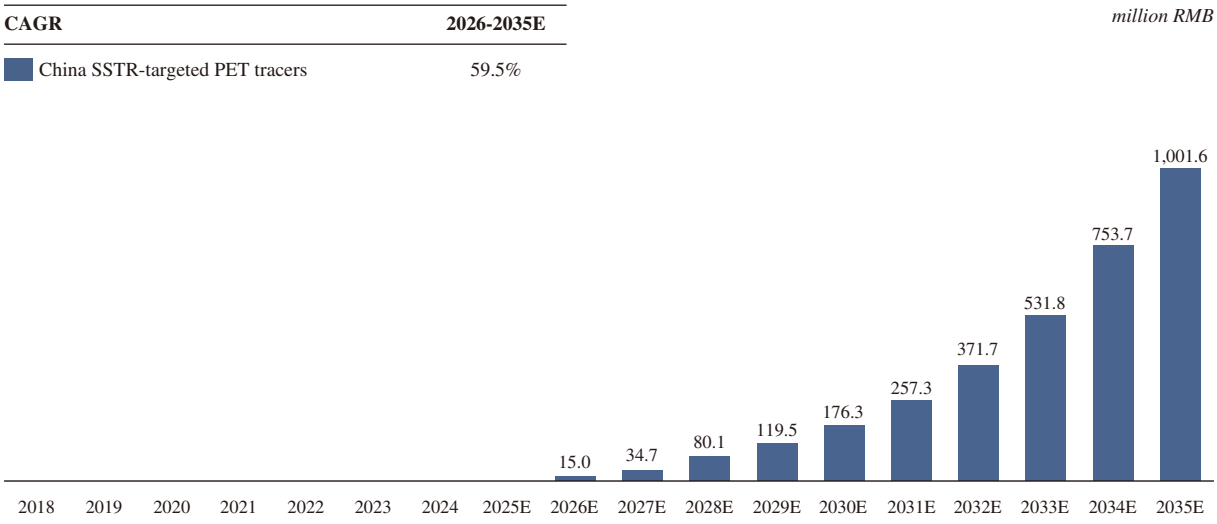
Note:

The market size is calculated based on net sales adjusted from Wholesale acquisition cost (WAC).

Source: FDA, EMA, Cancer, Journal of Nuclear Medicine, Annual reports, China Insights Consultancy

In China, there were no SSTR-targeted PET tracers approved for marketing as of the Latest Practicable Date. However, with the anticipated approval of the first SSTR-targeted PET tracer in 2026, the market in China is expected to significantly grow from RMB15.0 million in 2026 to RMB1,001.6 million in 2035 with a CAGR of 59.5%.

Historical and Forecasted Market Size of SSTR-targeted PET Tracers in China, 2018–2035E



Note:

The market size is estimated based on the sales of approved SSTR-targeted PET tracers that are commercially available in China, excluding in-house preparations produced by hospitals.

Source: BMC, Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, China Insights Consultancy

Competitive Landscape

As of the Latest Practicable Date, four SSTR-targeted PET tracers had been approved for marketing by major regulatory authorities globally. In China, however, no SSTR-targeted PET tracers had been approved for marketing as of the Latest Practicable Date.

Approved SSTR-targeted PET Tracers on a Global Scale*

Structure/MoA	Brand Name	Company	Indication	Regulatory Authority*	Approval Date
^{64}Cu-DOTATATE	Detectnet®	RadioMedix/ Curium	Use with PET for localization of SSTR-positive NETs in adult patients	FDA	2020-09
^{68}Ga-DOTA-TOC	N/A	UIHC Pet Imaging	Use with PET for localization of SSTR-positive NETs in adult and pediatric patients	FDA	2019-08
^{68}Ga-DOTA-TOC	SomaKit TOC	Novartis	PET imaging of SSTR overexpression in adult patients with confirmed or suspected well-differentiated GEP-NET for localizing primary tumors and their metastases	EMA	2016-12
^{68}Ga-DOTATATE	Netspot		Use with PET for localization of SSTR-positive NETs in adult and pediatric patients	FDA	2016-06

Note:

* *Due to variations in regulatory policies across different countries, global approval information are derived from major regulatory authorities, including the FDA, EMA, NMPA and PMDA. Products such as TOCscan/Sogacin which have not been granted centralized approval by EMA are not presented in this landscape.*

Source: FDA, EMA, China Insights Consultancy

As of the Latest Practicable Date, at least six SSTR-targeted PET tracers had received IND approvals globally, and five SSTR-targeted PET tracers had received IND approvals from the NMPA. Among them, two were under clinical development in China, both of which were ^{68}Ga-labeled radioligands in Phase III clinical trials.

Global Competitive Landscape of Radiopharmaceuticals for SSTR-targeted PET Tracers*

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
N/A	^{68}Ga-DOTA-TOC	Tianjin Hengrui Pharmaceutical	III	2023-10-16	China	Diagnosis of GEP-NETs
N/A	^{68}Ga-DOTATATE	HTA Co., Ltd.	III	2024-01-15	China	Diagnosis of NETs
XTR015	**^{64}Cu-DOTATATE**	**Our Company**	**IND****	**2024-05-07**	**China**	**Combination with PET for the localization of lesions in adult patients with SSTR-positive NETs**
N/A	^{64}Cu-SARTATE	Clarity Pharmaceuticals	II	2020-06-18	Others***	Diagnosis of known or suspected GEP-NETs
N/A	^{68}Ga-DOTATATE	Novartis	IND	2025-02-09	China	Determining a patient's SSTR-positive expression status by PET scanning
N/A	^{64}Cu-DOTATATE	Huayi Technology	IND	2025-02-12	China	Combination with PET for the localization of lesions in adult patients with SSTR-positive NETs

Notes:

* *The global pipeline includes only entries registered on ClinicalTrials.gov and excludes drugs that have already been approved for the same indication.*

** *The Company obtained the IND approval from the NMPA for conducting Phase III clinical trials of XTR015 for the diagnosis of NETs in July 2024.*

*** *"Others" refers to countries and regions outside of China and the U.S.*

Source: CDE, Clinicaltrials.gov, China Insights Consultancy

Treatment of NEN

Surgery and endoscopic removal have long been the primary treatment approach for patients with resectable locoregional GEP-NENs; however, if surgery is not feasible due to individual patient factors, a multidisciplinary team should guide systemic therapy. If systemic therapy reduces the tumor to a resectable state, surgical intervention should be reconsidered.

In locally advanced or metastatic cases where resection is not possible, several treatment modalities are employed. For liver-dominant disease, liver-directed therapies such as hepatic resection, arterial embolization, percutaneous thermal ablation, or radiotherapy are considered. For oligometastatic or symptomatic metastases, palliative radiotherapy is used, except for mesenteric masses. For locally advanced unresectable tumors, radiotherapy combined with fluoropyrimidine-based chemotherapy may be an option. Systemic therapy for GEP-NENs is tailored according to tumor differentiation and histological grade, with distinct treatment strategies for each subtype.

- For well-differentiated Grade 1 and 2 NETs, the Grade I recommended systemic treatment typically involves somatostatin analogs such as somatostatin LAR or lanreotide. In cases where the disease progresses, peptide receptor radionuclide therapy ("**PRRT**") with ^{177}Lu-DOTATATE is recommended for SSTR-positive tumors. Additional therapeutic options include targeted therapies such as everolimus, sunitinib, surufatinib, and chemotherapy with temozolomide plus capecitabine.

- For well-differentiated Grade 3 NETs, PRRT with ^{177}Lu-DOTATATE can be the Grade I recommended systemic treatment if the tumor is SSTR-positive. Participation in clinical trials also remains to be an option.

- For poorly differentiated NECs, systemic treatment typically begins with chemotherapy, such as temozolomide combined with capecitabine or tegafur, among other regimens. In tumors with specific biomarkers – such as MSI-H, dMMR, or high tumor mutational burden ("**TMB-H**") – immunotherapy with pembrolizumab may be an effective option. Additional avenues include clinical trial enrollment for select cases.

Treatment Paradigm for GEP-NENs

GEP-NENs	Locoregional disease (Resectable)		・The primary treatments for locoregional disease are surgical resection and endoscopic removal. If localized resection is not feasible due to patient-specific factors, comprehensive systemic therapy guided by a multidisciplinary team is recommended. If the tumor becomes resectable after systemic treatment, surgical intervention should be actively pursued			
	Locally advanced/ metastatic disease (Unresectable)	Locoregional therapy options	・Liver-directed therapy for liver-dominant disease: surgical resection/hepatic arterial embolization/percutaneous thermal ablation/RT ・Palliative radiation therapy (RT) for oligometastatic disease and/or symptomatic metastases (excluding mesenteric masses) ・Consider RT ± concurrent fluoropyrimidine-based chemotherapy for locally advanced unresectable disease			
		Systemic therapy	Tumor type	Grade I Recommendation	Grade II Recommendation	Grade III Recommendation
			Well-differentiated Grade 1/2 NET	・PRRT with lutetium ^{177}Lu-DOTATATE (if SSTR-positive and progression on somatostatin LAR/lanreotide) ・First-line PRRT with ^{177}Lu-DOTATATE (if SSTR-positive, Ki-67 ≥10%, and clinically significant tumor burden) ・Everolimus/Sunitinib/Surufatinib ・Somatostatin LAR or lanreotide ・Temozolomide + capecitabine	・Cabozantinib ・Temozolomide + Tegafur ・Streptozocin-based chemotherapy	・Cytotoxic chemotherapy: Anticancer agents such as 5-fluorouracil (5-FU), capecitabine, dacarbazine, oxaliplatin, and temozolomide ・Belzutifan (VHL) ・Observation
			Well-differentiated, Grade 3 NET	・PRRT with ^{177}Lu-DOTATATE (if SSTR-positive) ・Clinical trial	・Cabozantinib ・Temozolomide + capecitabine ・Temozolomide + Tegafur	・Everolimus/Sunitinib ・Chemotherapy ・Somatostatin LAR or lanreotide
			Poorly differentiated, NEC	・First-line chemotherapy ・Pembrolizumab (if MSI-H, dMMR, or TMB-H tumors) ・Clinical trial	・First-line chemotherapy ・Other immunotherapy ・Clinical trial	・Chemotherapy ・Pembrolizumab ・RT

Source: CSCO 2024, NCCN V1.2025, China Insights Consultancy

Radioligand therapy, particularly PRRT, represents a targeted treatment approach that combines a tumor-targeted molecule with a radioactive payload. In the context of NENs, PRRT employs somatostatin analogs labeled with beta-emitting radionuclides, such as ^{177}Lu or ^{90}Y, which selectively bind to SSTRs overexpressed on tumor cell membranes. Once bound, the targeting ligand delivers localized radiation to the tumor, inducing DNA damage and cell death, while sparing surrounding healthy tissue leveraging the short path length of beta particles. ^{177}Lu has become the gold standard for radionuclide therapy due to its favorable physical and safety profile. It emits low-energy beta radiation, which is effective for tumor control while minimizing damage to surrounding tissues, especially the kidneys.

^{177}Lu-DOTATATE, one of the most widely used PRRT agents, has been approved in both the U.S. and EU for the treatment of SSTR-positive, well-differentiated GEP-NETs. The Phase III NETTER-1 trial demonstrated that ^{177}Lu-DOTATATE significantly prolonged median progression-free survival ("**PFS**") to 28.4 months compared to 8.5 months with high-dose somatostatin long-acting repeatable ("**LAR**") in patients with G1 and G2 GEP-NETs. Building on this, the Phase III NETTER-2 trial confirmed the benefit of ^{177}Lu-DOTATATE in newly diagnosed patients with advanced Grade 2 and 3 GEP-NETs, showing a median PFS of 22.8 months, again outperforming high-dose somatostatin LAR.

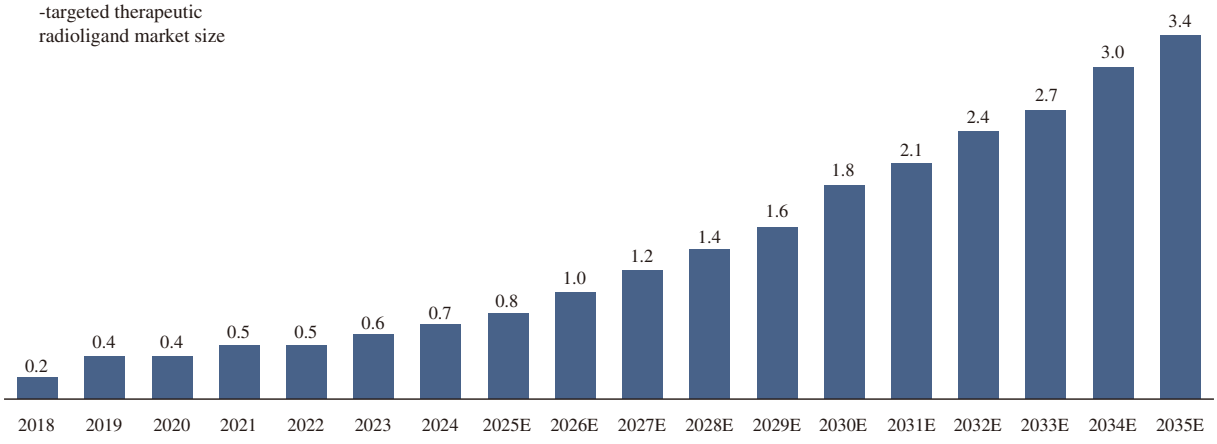
Market Size

The global market for SSTR-targeted therapeutic radioligands was valued at US$0.2 billion in 2018 and increased to US$0.7 billion in 2024, reflecting a CAGR of 27.7%. This market is projected to reach US$3.4 billion in 2035, with a CAGR of 15.0% from 2024 to 2035.

Historical and Forecasted Global Market Size of SSTR-targeted Therapeutic Radioligands, 2018-2035E

CAGR	2018-2024	2024-2035E
Global SSTR -targeted therapeutic radioligand market size	27.7%	15.0%

billion USD



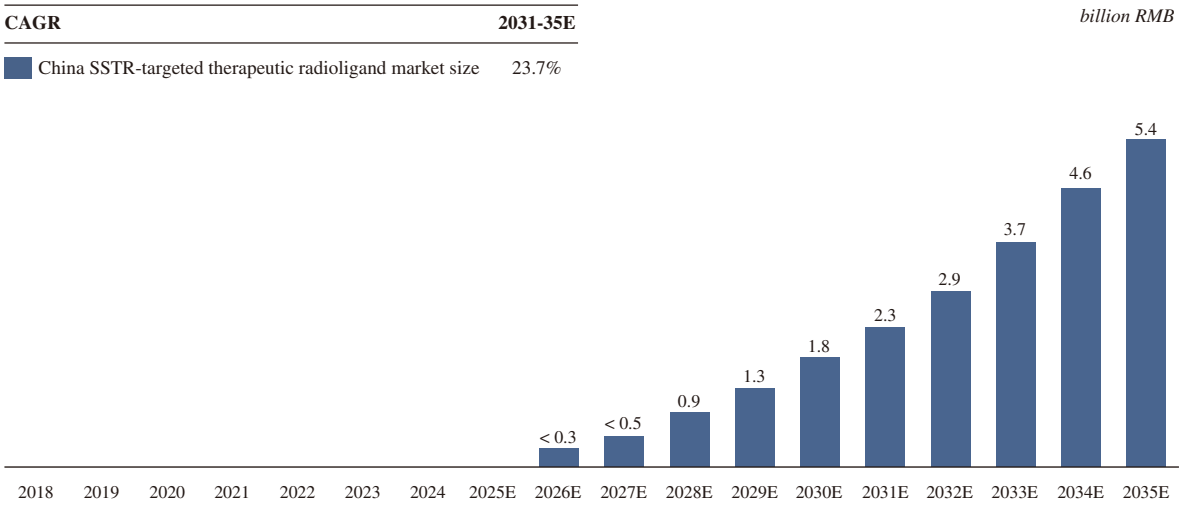
Note:

The market size is calculated based on net sales adjusted from Wholesale acquisition cost (WAC).

Source: Cancer, NCCN, EMA, FDA, ClinicalTrials, Annual reports, China Insights Consultancy

In China, there were no SSTR-targeted therapeutic radioligands approved for NEN treatment as of the Latest Practicable Date. However, with the anticipated approval of the first SSTR-targeted therapeutic radioligands in 2026, the market in China is expected to significantly grow from RMB2.3 billion in 2031 to RMB5.4 billion in 2035 with a CAGR of 23.7%.

Historical and Forecasted Market Size of SSTR-targeted Therapeutic Radioligands in China, 2018-2035E



Source: BMC, CSCO, CDE, China Insights Consultancy

Competitive Landscape

As of the Latest Practicable Date, Lutathera® was the only radioligand therapy approved for the treatment of GEP-NETs on a global scale. It was first approved by the FDA in 2018 as a second-line treatment in combination with long-acting octreotide for adults with SSTR-positive GEP-NETs. In 2024, the FDA expanded its indication to include pediatric patients aged 12 years and older. Currently, Lutathera® is commercially available in the U.S., Canada, the EU, and Japan, though it has not yet been launched in China. Since its approval, Lutathera® has demonstrated strong sales momentum, growing from approximately US$167.0 million in 2018 to US$724.0 million in 2024, making it one of the fastest-growing products in Novartis' portfolio.

As of the Latest Practicable Date, five SSTR-targeted therapeutic radioligands were under Phase III or later-stage clinical development globally. XTR008 stands out as the most clinically advanced product candidate.

Global Competitive Landscape of SSTR-targeted Therapeutic Radioligands Under Phase III or Later-stage Clinical Development

Candidate	Structure/MoA	Company	Clinical Phase	Study Location	First Posted Date	Indication
XTR008	**^{177}Lu-DOTATATE**	**Our Company**	**NDA**	**China**	**2022-06-06**	**Unresectable or metastatic, progressive, well-differentiated (G1 and G2) SSTR+ GEP-NETs**
			II	**China**	**2024-04-24**	**Advanced SSTR+ NEN, excluding G1/G2 GEP-NETs**
N/A	^{177}Lu-DOTATATE	Tianjin Hengrui Pharmaceutical	III	China	2023-03-16	Advanced GEP-NETs
N/A	^{177}Lu-DOTA-TOC	HTA Co., Ltd.	III	China	2024-01-04	Unresectable or metastatic, progressive, well-differentiated (G1 and G2) SSTR+ GEP-NETs
ITM-11	^{177}Lu-DOTA-TOC	ITM Solucin GmbH; Grand Pharmaceutical	III	China	2024-12-12	Highly differentiated, progressive, G2 and G3, SSTR+, GEP-NETs
		Isotope Technologies Munich; DuChemBio; Grand Pharmaceutical	III	U.S., China, and others*	2021-05-17	Well-differentiated, aggressive, G2/G3, SSTR+, GEP-NET
			III	U.S., and others*	2017-02-09	Inoperable, progressive, SSTR+, GEP-NET
RYZ101	^{225}Ac-DOTATATE	RayzeBio	Ib/III	U.S., and others*	2022-07-28	Inoperable, advanced, SSTR+, well-differentiated GEP-NETs that have progressed following prior ^{177}Lu-SSA therapy

Note:

* *Others refer to countries and regions other than China and the U.S.*

Source: CDE, Clinicaltrials, China Insights Consultancy

Prostate Cancer

Prostate cancer is a common malignancy among middle-aged men, typically between 45 and 60 years old, and remains a major cause of male mortality worldwide. It is often diagnosed through prostate-specific antigen ("**PSA**") testing, digital rectal exams, MRI, and prostate biopsy. Genetic mutations – particularly those affecting the androgen receptor signaling pathway and testosterone metabolism – play a critical role in its development. In recent decades, PSMA has emerged as a promising diagnostic and therapeutic target due to its high expression in nearly all stages of prostate cancer, including bone and lymph node metastases, while maintaining low expression in normal tissues. PSMA levels in prostate cancer can increase by 100 to 1,000 times compared to benign tissues and further rise with tumor progression, especially in CRPC, a form of prostate cancer that continues to progress despite medical or

surgical treatments to lower testosterone. Moreover, its large extracellular domain makes it accessible to small molecules and antibody-based therapies, and its internalization by tumor cells enhances its potential for targeted treatment.

Globally, the incidence of prostate cancer reached 1.3 million in 2018 and increased to 1.5 million in 2024, with a CAGR of 3.1%. The number is expected to further grow to 2.0 million in 2035, with a CAGR of 2.6% from 2024 to 2035. In China, the incidence of prostate cancer rose from 93,700 in 2018 to 158,600 in 2024, representing a CAGR of 9.2%. It is projected to further increase to 310,900 in 2035, with a CAGR of 6.3% from 2024 to 2035. In China, approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy. Approximately 70% of patients with prostate cancer experience disease progression after first-line treatment.

Diagnosis of Prostate Cancer

Early detection and accurate diagnosis are critical for effective prostate cancer management. PSA, a protein produced by prostate cells and mainly present in semen, is also found in the blood, where levels above 4 ng/ml may indicate prostate cancer. Genetic testing is also encouraged to guide treatment decisions and provide counseling, as mutation profiles vary with disease stage.

For clinical diagnosis, one or more approaches can be used to determine the disease stage and invasiveness. Digital rectal examination remains a valuable early diagnostic tool, despite its limitations in detecting non-palpable tumors. MRI has become one of the primary methods due to its effectiveness in tumor detection, staging, and guiding biopsies. PET-CT, particularly radionuclide-labeled PSMA-targeted PET tracer in combination with CT, offers superior diagnostic accuracy by targeting the PSMA protein highly expressed in prostate cancer cells, outperforming conventional imaging modalities ("**CIMs**") such as CT, MRI and ultrasound. Biopsy remains essential for diagnosis, although systematic transrectal or transperineal prostate biopsy may lead to false negatives or overdiagnosis.

Diagnostic Paradigm for Prostate Cancer

Surveillance screening & early diagnosis	Clinical diagnostic methodology			
PSA Screening	**Digital rectal examination (DRE)**	**MRI**	**PET-CT**	**Biopsy**
• **Definition:** PSA (prostate-specific antigen), a protein from prostate cells, is mostly found in semen but also circulates in the blood • **Feature:** The total PSA level is considered abnormal if it exceeds 4 ng/ml, which may signal prostate cancer due to tissue damage	• **Definition:** DRE aids in early diagnosis and staging of prostate cancer • **Feature:** A hard, non-tender prostate nodule with unclear boundaries is typical, but cancer may be present without palpable nodules, requiring PSA testing and imaging for full evaluation	• **Definition:** MRI is one of the primary methods for diagnosing Pca. • **Feature:** The typical manifestation is a low-signal lesion in the peripheral zone on T2-weighted images, which contrasts significantly with the normal high-signal peripheral zone	• **Definition:** PSMA is highly and specifically expressed on the surface of prostate cancer cells, making it extremely valuable for research in molecular imaging prostate cancer • **Feature:** Radionuclide-labeled PSMA small molecule inhibitors have shown promising clinical application prospects	• **Definition:** A prostate biopsy is a procedure in which small samples of prostate tissue are removed, usually with a needle, to diagnose or rule out prostate cancer • **Feature:** Systematic transrectal or transperineal biopsy faces limitations such as false negatives, missed high-risk cancers, and overdiagnosis
Genetic testing				
• **Definition:** Genetic testing involves analyzing specific genes to identify inherited or acquired mutations • **Feature:** Prostate cancer mutation profiles vary by disease status and treatment stage				

Source: National Health Commission, China Insights Consultancy

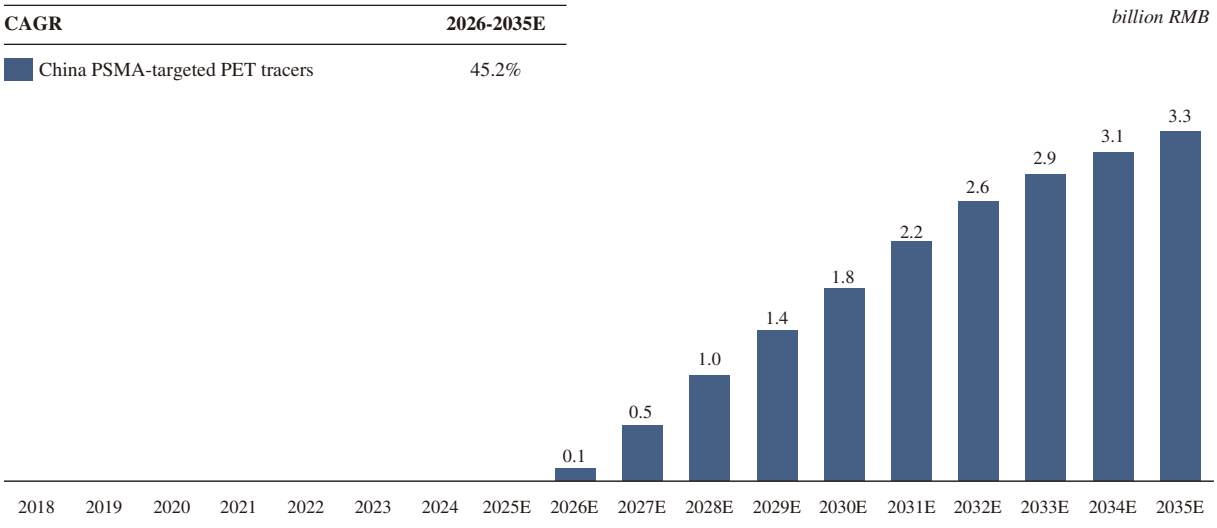
PSMA-targeted targeting ligands, such as antibodies or small molecules labeled with radionuclide tracers, facilitate precise visualization via PET imaging. When combined PSMA-targeted PET tracers with CT, PET-CT demonstrates high sensitivity and specificity in the detection and staging of prostate cancer, because this approach combines the molecular capabilities of PET with the morphologic features of CT, offering advantages over CIMs for diagnosing and monitoring various cancers, including prostate cancer.

PSMA-targeted PET-CT can be utilized for a range of clinical applications, including diagnosing primary lesions, guiding biopsies, staging and restaging, detecting biochemical recurrence, assessing treatment efficacy, and supporting PSMA-targeted radioligand therapy. It has also demonstrated superior sensitivity and specificity in detecting bone metastases compared to other imaging techniques. The heightened sensitivity of PSMA-targeted PET enables earlier detection of metastases, which can lead to a transition from non-metastatic castration-resistant prostate cancer ("**nmCRPC**") to mCRPC in many patients. Early identification of these metastases has the potential to improve clinical decision-making and optimize patient management. Given its enhanced performance compared to CIMs, PSMA-targeted PET is expected to improve the diagnosis of prostate cancer.

Market Size

In China, there were no PSMA-targeted PET tracers approved for the diagnosis of prostate cancer as of the Latest Practicable Date. However, with the anticipated approval of the first PSMA-targeted PET tracer in 2026, the market in China is expected to grow from RMB0.1 billion in 2026 to RMB3.3 billion in 2035 with a CAGR of 45.2%.

Historical and Forecasted Market Size of PSMA-targeted PET Tracers in China, 2018-2035E



Source: WHO, IARC, Nature, Chinese Journal of Nuclear Medicine and Molecular Imaging, China Insights Consultancy

Competitive Landscape

As of the Latest Practicable Date, ^{68}Ga-PSMA-11 by Novartis had submitted NDA to the NMPA. Furthermore, seven PSMA-targeted PET tracers were under clinical development for the diagnosis of prostate cancer in China. Among them, XTR020, along with four other candidates, was in the registrational Phase III clinical stage.

Competitive Landscape of Radiopharmaceuticals for PSMA-targeted PET Tracer Under Clinical Development in China

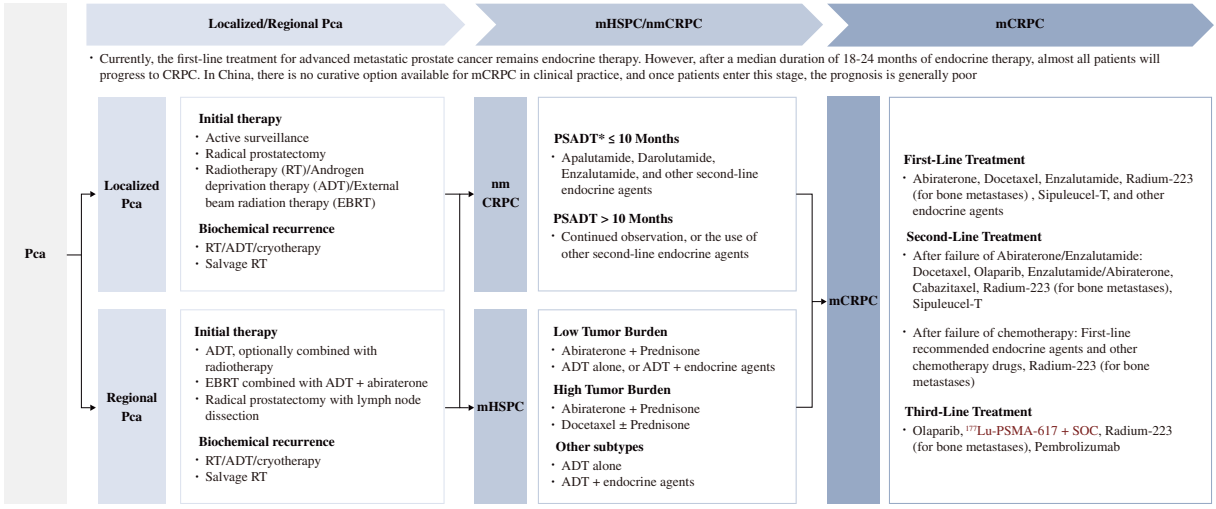
Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Indication
XTR020	**^{18}F-Flotufolastat**	**Our Company**	**III**	**2025-01-08**	**• PSMA-positive prostate cancer before radical prostatectomy • Patients suspected of recurrence based on elevated serum PSA levels**
TLX591-CDx	^{68}Ga-PSMA-11	Telix/Grand River Aseptic Manufacturing	III	2023-03-21	BCR in prostate cancer after radical prostatectomy or radiation therapy
FC-303	^{18}F-rhPSMA-7.3	HTA Co., Ltd.	III	2023-11-24	PSMA-positive prostate cancer before radical prostatectomy
			III	2024-12-25	
LNC1001	^{18}F-AIF-PSMA-BCH	Lannacheng Biotechnology	III	2023-12-04	PSMA-positive prostate cancer before radical prostatectomy
			III	2023-12-04	BCR in prostate cancer after radical prostatectomy or radiation therapy
			I	2022-09-27	• PSMA-positive prostate cancer before radical prostatectomy • Patients suspected of recurrence based on elevated serum PSA levels
INR101	Undisclosed	Yunhe Pharmaceutical	III	2025-03-05	Recurrent prostate cancer after radical prostatectomy or radiation therapy
			III	2025-03-13	PSMA-positive prostate cancer before radical prostatectomy
			I	2024-05-23	Prostate cancer PET imaging
NY108	^{68}Ga-NYM032	Norroy Bioscience	I/II	2024-05-07	Prostate cancer PET imaging
HRS-9815	Undisclosed	Hengrui Pharmaceutical	I	2023-10-09	Advanced prostate cancer

Source: CDE, China Insights Consultancy

Treatment of Prostate Cancer

The standard of care for prostate cancer varies by stage and disease progression. For localized or regional prostate cancer, initial treatments include active surveillance, radical prostatectomy, and radiotherapy often combined with androgen deprivation therapy ("**ADT**"). In cases of biochemical recurrence, salvage radiotherapy, radiotherapy or ADT may be used. For metastatic hormone-sensitive prostate cancer ("**mHSPC**"), low tumor burden is treated with abiraterone and prednisone, while high tumor burden may involve abiraterone plus prednisone or docetaxel with or without prednisone. Non-metastatic castration-resistant prostate cancer ("**nmCRPC**") is stratified by PSA doubling time ("**PSADT**"); those with PSADT ≤10 months may receive second-generation endocrine agents like apalutamide, darolutamide, or enzalutamide, while longer PSADT supports continued observation or less aggressive options. In mCRPC, treatment progresses through multiple lines: first-line options include abiraterone, prednisone, chemotherapy (such as docetaxel), and others; second-line treatment varies depending on prior therapy and includes chemotherapy, and PARP inhibitors (for patients with homologous recombination repair mutation); third-line options add agents such as ^{177}Lu-PSMA-617 and pembrolizumab. Despite available treatments, nearly all patients progress to CRPC within 18 to 24 months of endocrine therapy, and in China, curative options for mCRPC remain lacking, with generally poor prognosis at this stage.

Treatment Paradigm of Prostate Cancer



Note:

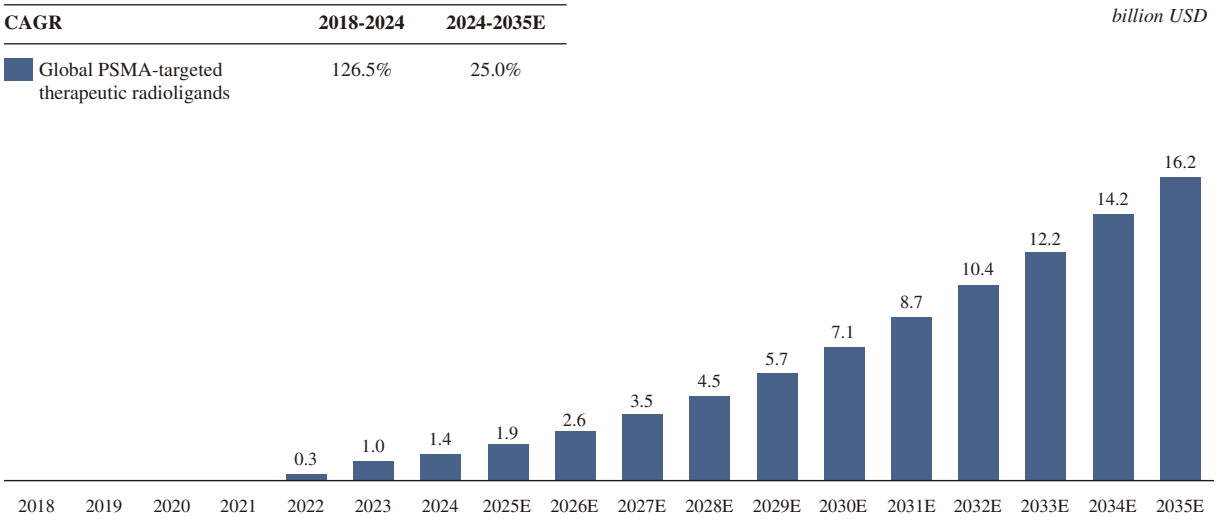
*Prostate-Specific Antigen Doubling Time ("**PSADT**") refers to the time it takes for the level of PSA in the blood to double.*

Source: CSCO 2024, NCCN V1.2025, China Insights Consultancy

Market Size

Since the approval of Pluvicto® in the U.S. in 2022, the global market for PSMA-targeted therapeutic radioligands has increased from US$0.3 billion in 2022 to US$1.4 billion in 2024. The market size is projected to expand significantly, reaching US$16.2 billion in 2035, with a CAGR of 25.0% from 2024 to 2035.

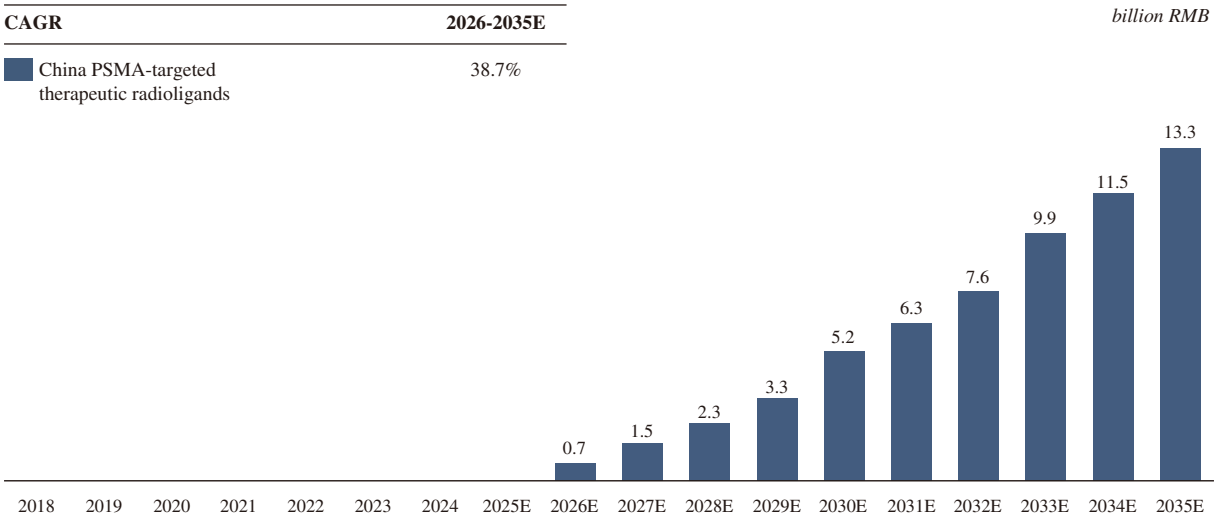
Historical and Forecasted Global Market Size of PSMA-targeted Therapeutic Radioligands, 2018-2035E



Source: WHO, IARC, NCCN, Nature, FDA, EMA, ClinicalTrials, Annual reports, China Insights Consultancy

In China, no PSMA-targeted therapeutic radioligands have been approved for prostate cancer treatment as of the Latest Practicable Date. However, with the anticipated approval of the first PSMA-targeted therapeutic radioligands in 2026, the market in China is expected to grow significantly, from RMB0.7 billion in 2026 to RMB13.3 million in 2035, with a CAGR of 38.7%.

Historical and Forecasted Market Size of PSMA-targeted Therapeutic Radioligands in China, 2018-2035E



Source: WHO, IARC, CSCO, Nature, CDE, China Insights Consultancy

Competitive Landscape

As of the Latest Practicable Date, Pluvicto® was the only radioligand therapy approved globally for the treatment of prostate cancer. It was first approved by the FDA in 2022 for adult patients with PSMA-positive mCRPC who have previously received androgen receptor pathway inhibition and taxane-based chemotherapy. Pluvicto® is currently commercially available in the U.S. and EU, and has submitted a NDA to the NMPA for the treatment of mCRPC as a third-line therapy in China. Additionally, Pluvicto® is undergoing indication expansion to broaden its therapeutic applications. Since its approval, Pluvicto® has experienced notable sales growth, increasing from US$271 million in 2022 to US$1,390 million in 2024. The drug is expected to further explore opportunities for commercial expansion across treatment lines, geographic regions, and new indications, aiming to establish itself as a key player in the radiopharmaceutical market.

As of the Latest Practicable Date, there were 17 PSMA-targeted therapeutic radioligands under Phase II or later stage clinical development on a global scale, with six of them in Phase II or later-stage development in China.

Global Competitive Landscape of PSMA-targeted Therapeutic Radioligands Under Phase II or Later Stage Clinical Development*

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
Pluvicto®	^{177}Lu-PSMA-617	Novartis	III	2022-06-27	China	mHSPC
			III	2024-09-14		PSMA-positive oligometastatic prostate cancer
			II	2023-02-06		PSMA-positive mCRPC
			II	2023-03-02		mCRPC
			II	2024-02-29		mCRPC
AAA817	^{225}Ac-PSMA-617		III	2025-03-03	N/A	PSMA-positive mCRPC treated with another ARPI as last treatment and who have not been exposed to a taxane-containing chemotherapy in the mCRPC setting nor have received any prior PSMA-targeting radioligand therapy
			II/III	2025-01-17	Others**	PSMA-positive mCRPC who had treatments with ARPI and taxane-based chemotherapy and progressed on or after ^{177}Lu-PSMA targeted therapy
FPI-2265	^{225}Ac-PSMA-I&T	Fusion Pharmaceuticals	II/III	2024-05-07	U.S.	PSMA-positive mCRPC who have been previously treated with ^{177}Lu-PSMA-617 or another ^{177}Lu-PSMA radioligand therapy
TLX591	^{177}Lu-DOTA-Rosopatamab	Telix Pharmaceuticals	III	2024-07-25	U.S., others**	mCRPC who have progressed following treatment with Androgen Receptor Pathway Inhibitor Treatment

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
N/A	^{177}Lu-PSMA-I&T	Curium US LLC	III	2022-01-24	U.S., others**	mCRPC
PNT2002***	^{177}Lu-PSMA-I&T	Eli Lilly	III	2020-12-01	U.S., others**	mCRPC who have progressed following treatment with androgen receptor axis-targeted therapy
XTR010	**^{177}Lu-XT033**	**Our Company**	**I/II**	**2023-08-10**	**China**	**mCRPC**
JH002	^{177}Lu-JH020002	Bivision Biomedical Technology	I/II	2023-11-01	China	mCRPC
NY108	^{177}Lu-NYM032	Norroy Bioscience	I/II	2024-04-11	China	mCRPC
LNC1011	^{177}Lu-DansyI-PSMA	Lannacheng Biotechnology	I/II	2024-11-12	China	mCRPC
HRS-4357	Undisclosed	Hengrui Pharmaceutical	I/II	2023-09-01	China	Advanced prostate cancer

Note:

* *The table presents Phase III and later-stage clinical trials registered on ClinicalTrials. gov, as well as Phase II and later-stage clinical trials registered with the CDE. As of the Latest Practicable Date, approximately 30 Phase II or later-stage clinical trials worldwide were evaluating 17 PSMA-targeted radioligand candidates for the treatment of prostate cancer.*

** *Others refer to countries and regions other than China and the U.S.*

*** *Lantheus announced that it would not pursue an NDA or invest further in PNT2002 in the near future.*

Source: CDE, Clinicaltrials, China Insights Consultancy

AD

AD is a prevalent neurodegenerative disorder characterized by progressive cognitive decline, memory impairment, and behavioral changes. Its hallmark pathological features include the accumulation of Aβ plaques, tau protein tangles, and neuronal loss. Although the precise cause of AD remains unclear, a combination of genetic, environmental, and lifestyle factors is believed to contribute to its development. Current treatment strategies primarily aim to manage symptoms and target Aβ and tau pathologies. The clinical progression of AD typically occurs in three stages: (1) preclinical AD, marked by Aβ accumulation and neuronal changes without noticeable symptoms; (2) MCI due to AD, involving measurable cognitive decline while daily functioning remains largely preserved; and (3) dementia due to AD, characterized by significant cognitive and functional impairment, including memory loss, language difficulties, and disorientation, resulting in dependence on caregivers. MCI represents a critical stage for early intervention, with the potential to delay or prevent the onset of dementia.

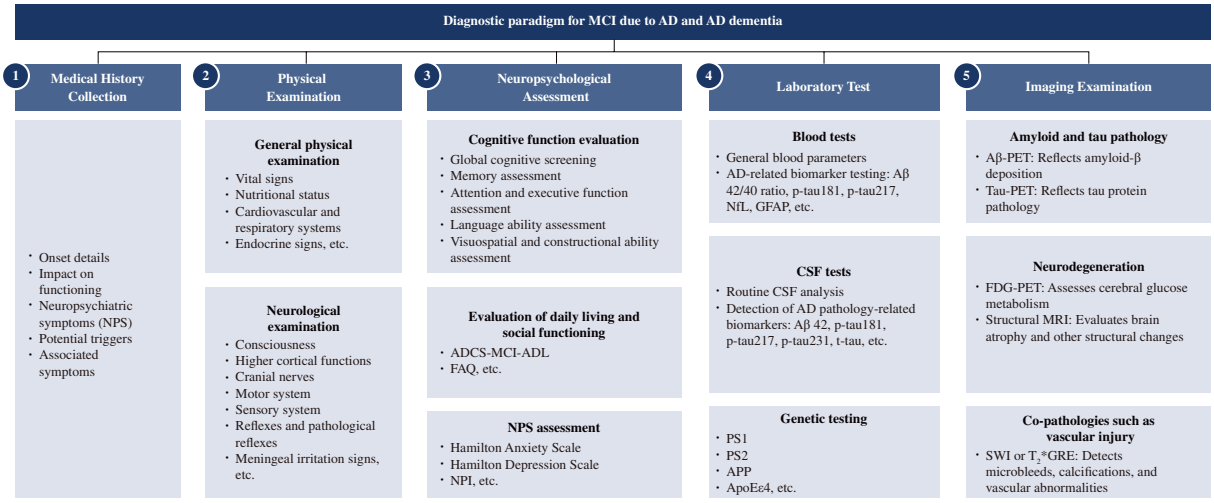
Epidemiological data indicate that the number of individuals with MCI in China was approximately 36.1 million in 2018 and is expected to increase from 49.6 million in 2024 to 80.6 million in 2035, representing a CAGR of 5.4% from 2018 to 2024 and 4.5% from 2024 to 2035. Similarly, the prevalence of ADOD was 14.7 million in 2018 and is projected to rise from 18.1 million in 2024 to 26.8 million in

2035, reflecting a CAGR of 3.5% from 2018 to 2024 and 3.6% from 2024 to 2035. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. These numbers are expected to grow substantially with the aging population.

Diagnosis of AD

Current diagnosis of AD involves a comprehensive and multidisciplinary assessment approach. This includes medical history collection, such as onset details, impact on functioning, neuropsychiatric symptoms, potential triggers, and associated symptoms, as well as physical and neurological examinations covering vital signs, systemic evaluations, cortical functions, and reflexes. Neuropsychological assessments are central, evaluating global cognition, memory, attention, executive function, language, visuospatial abilities, and daily living and social functioning using tools like AD cooperative study scale for activities of daily living in MCI ("**ADCS-MCI-ADL**") and functional activities questionnaire ("**FAQ**"). Neuropsychiatric symptoms are assessed using scales such as the Hamilton Anxiety and Depression Scales and the neuropsychiatric inventory ("**NPI**"). Laboratory evaluations involve blood tests for general parameters and AD-related biomarkers, cerebrospinal fluid testing for pathological markers, and genetic testing. Imaging assessments include PET scans for Aβ and tau pathology, FDG-PET for brain metabolism, MRI for structural changes, and susceptibility weighted imaging ("**SWI**") or T2-weighted gradient echo ("**T2*GRE**") to detect vascular co-pathologies.

Diagnostic Paradigm for MCI Due to AD and AD Dementia in China



*Abbreviations: ADCS – MCI – ADL = Alzheimer's Disease Cooperative Study Scale for Activities of Daily Living in MCI, FAQ = Functional Activities Questionnaire, NPI = Neuropsychiatric Inventory, SWI = Susceptibility Weighted Imaging, T_2*GRE = T_2* – weighted gradient – echo*

Source: Chinese guideline for the diagnosis and treatment of Alzheimer's disease dementia (2020), 中國阿爾茨海默病癡呆診療指南(2020年版), Chinese Expert Consensus on the Diagnosis and Treatment of Alzheimer's Disease–Related Mild Cognitive Impairment (2024) 阿爾茨海默病源性輕度認知障礙診療中國專家共識(2024), China Insights Consultancy

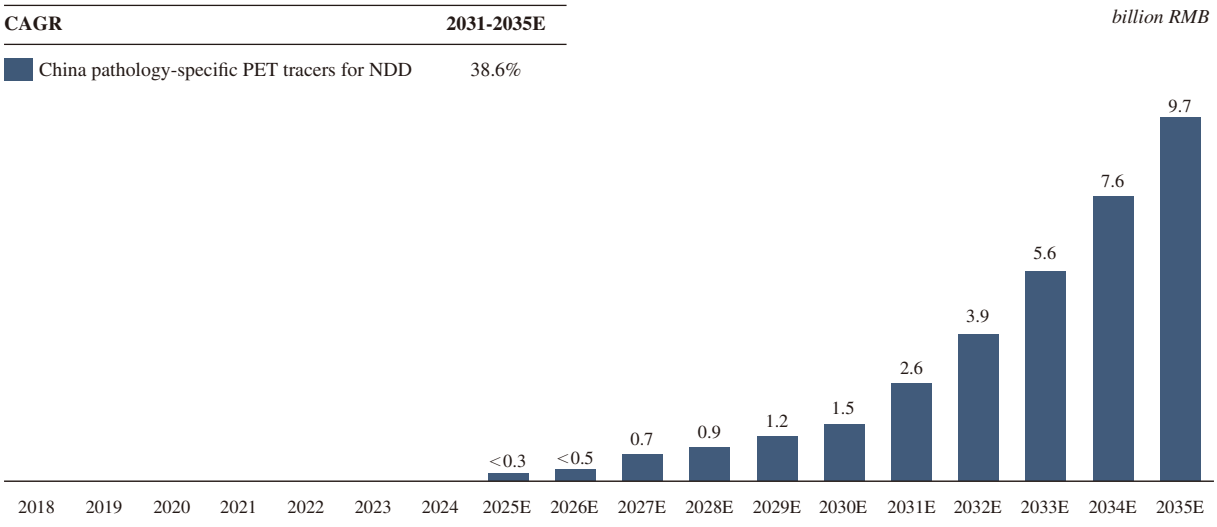
The treatment principles for AD include early diagnosis, timely intervention, and lifelong management. Therefore, early diagnosis of AD during the MCI stage is critical for effective disease management. Among the major diagnostic approaches – such as cognitive scales and questionnaires, imaging examinations, body fluid analyses, and genetic testing – only PET imaging and lumbar puncture offer both high sensitivity and high diagnostic accuracy for early-stage detection. However, lumbar puncture is invasive and technically challenging to perform. PET imaging, on the other hand, provides high sensitivity and diagnostic precision by visualizing *in vivo* Aβ and tau protein aggregations, the pathological hallmarks of AD. As diagnostic technologies continue to advance, PET imaging and fluid biomarker testing have significantly enhanced early detection capabilities.

Although blood-based biomarkers for AD show great promise for early screening and research, several significant limitations currently hinder their clinical applications: (1) there is a lack of standardization across detection platforms and reagents resulting in inconsistent results; (2) the specificity of biomarkers can be affected by peripheral sources, comorbidities, and physiological factors such as kidney function, age, and metabolic status; and (3) differences across populations and the absence of unified reference standards complicate interpretation and limit broader adoption. Nevertheless, the approval of medical devices utilizing blood-based biomarkers for AD can potentially improve the identification rate of potential patients, thereby driving the growth of the population eligible for PET diagnostics.

Market Size

As of the Latest Practicable Date, 歐韋寧® (or XTR005) by the Company was the only pathology-targeted PET tracer approved for the diagnosis of AD in China. Following its official launch in 2025, the market in China is projected to experience significant growth, expanding from RMB2.6 billion in 2031 to RMB9.7 billion in 2035, representing a CAGR of 38.6%.

Historical and Forecasted Market Size of Pathology-targeted PET Tracers for Neurodegenerative Diseases in China, 2018-2035E



Note:

The market size is estimated based on the sales of approved CNS-PET radiotracers that are commercially available in China, excluding in-house preparations produced by hospitals.

Source: The Lancet, BMC, Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, China Insights Consultancy

Competitive Landscape

As of the Latest Practicable Date, XTR005 was the only pathology-targeted PET tracer approved for the diagnosis of AD in China. It is a ^{18}F-labeled Aβ-targeted PET tracer approved by the NMPA for marketing in September 2023. As of the Latest Practicable Date, there were five pathology-targeted PET tracers under clinical development in China. With the launch of XTR005 in 2025 and XTR006 advancing to the Phase III clinical stage, the Company is positioned as the most clinically advanced player in the Chinese market targeting both Aβ and tau for AD diagnosis.

Competitive Landscape of Pathology-specific PET Tracers Under Clinical Development for Neurodegenerative Diseases in China

Candidate	Structure/MoA	Target	Company	Clinical Phase	First Posted Date	Indication
XTR006	**^{18}F-MK 6240**	**Tau**	**Our Company**	**III**	**2024-11-01**	**AD (PET imaging)**
APN-1607	^{18}F-Florzolotau	Tau	APRINOIA Therapeutics	III	2021-09-22	AD (PET imaging)
N/A	^{18}F-Florbetapir	Aβ	Jyams Pet R&D Ltd.	III	2022-09-30	AD (PET imaging)
N/A	^{18}F-Florbetazine	Aβ	HTA Co., Ltd.	I	2023-11-23	AD (PET imaging)
N/A	^{18}F-Flutemetamol	Aβ	Hengrui pharmaceutical	I	2025-03-03	AD (PET imaiging)

Source: CDE, China Insights Consultancy

Growth drivers and Future Trends

- ***Aging Population.*** The growing elderly population is driving a significant rise in cases of MCI and AD, leading to an increasing demand for early and accurate diagnostic tools. As life expectancy increases, the number of patients requiring neurodegenerative disease diagnostics is expected to grow steadily.

- ***Early Diagnosis and Prevention Demand.*** With increasing public awareness of neurodegenerative diseases, screening and intervention strategies are shifting to earlier stages. Individuals at risk are now undergoing cognitive assessments and biomarker testing before symptoms become noticeable, highlighting the need for PET imaging to evaluate Aβ and tau accumulation. This proactive approach to intervention is reshaping clinical practices, supporting earlier disease management, and reinforcing the value of radiopharmaceuticals in assessments of preclinical and prodromal stages.

- ***Evolving treatment paradigm.*** The approval and development of targeted therapies, particularly anti-Aβ and anti-tau treatments, are transforming AD treatment strategies. These therapies rely on biomarker-based patient selection and treatment monitoring, significantly increasing the demand for Aβ and tau detections. As more disease-modifying treatments enter clinical use, PET-guided precision medicine is expected to become standard practice, further expanding the radiopharmaceutical market.

- ***Increasing Demand of PET imaging.*** Advancements in PET imaging, along with the introduction of novel radiotracers, are improving the sensitivity and specificity of Aβ and tau detections. Advanced PET assessments are being integrated into clinical trials and real-world settings for both MCI and AD diagnosis, as well as for monitoring treatment responses. Continued refinement of PET imaging techniques, combined with next-generation PET tracers, will further drive the adoption and expansion of radiopharmaceutical applications in managing neurodegenerative diseases.

CAD

CAD is a pathological condition characterized by the accumulation of atherosclerotic plaques in the epicardial arteries, which can be either obstructive or non-obstructive. Obstructive CAD involves the gradual narrowing or blockage of the arteries that affect the supply of blood to myocardium, typically due to plaque buildup (atherosclerosis). The progression of CAD may remain stable for extended periods, referred to as chronic coronary syndromes, but may also become unstable and progress to acute coronary syndromes at any time.

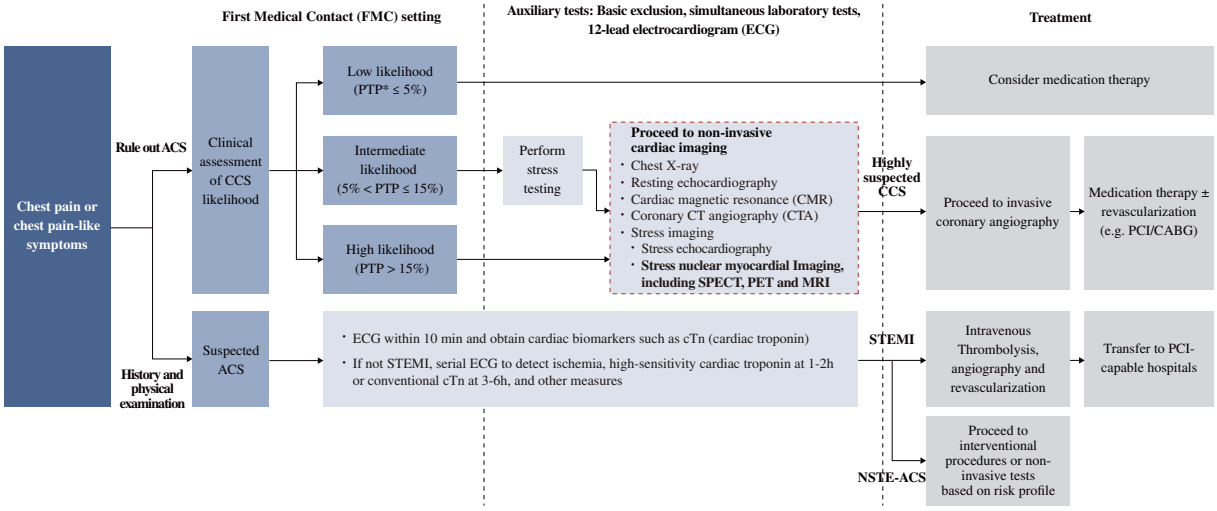
The number of CAD patients worldwide was 311.1 million in 2018, and reached 316.6 million in 2024, representing a CAGR of 0.3% from 2018 to 2024. The number is expected to reach 323.3 million in 2035, with a CAGR of 0.2% from 2024 to 2035. In China, the prevalence of CAD has also remained relatively stable. The number of CAD patients was 11.0 million in 2018 and reached 11.5 million in 2024, representing a CAGR of 0.7% from 2018 to 2024. This number is projected to rise further to 12.7 million by 2035, with a CAGR of 0.9% from 2024 to 2035.

Diagnosis of CAD

The diagnosis of CAD begins with assessing chest pain or chest pain-like symptoms. First, acute coronary syndrome is ruled out based on guidelines. The likelihood of chronic coronary syndrome is then clinically assessed, categorized into low, intermediate, or high likelihood based on pre-test probability ("**PTP**"). For low likelihood (PTP ≤ 5%), medication therapy is considered. For intermediate likelihood (5% < PTP ≤ 15%), non-invasive cardiac imaging tests, such as coronary computed tomography angiography, stress testing with echo, SPECT imaging or PET imaging, MRI, are recommended. For high likelihood (PTP > 15%), invasive coronary angiography is recommended, supplemented with FFR assessment to accurately evaluate the functional significance of intermediate coronary lesions. Auxiliary tests such as lab work, ECG, and chest X-ray support the diagnosis of CAD.

For suspected acute coronary syndrome, a 12-lead electrocardiogram ("**ECG**") should be performed within 10 minutes along with obtaining cardiac biomarkers such as troponin ("**cTn**"). If ST-segment elevation myocardial infarction ("**STEMI**") is not identified, serial ECGs and high-sensitivity cardiac troponin tests at 1 to 2 hours or conventional troponin tests at 3 to 6 hours are conducted, alongside a detailed history and physical examination. STEMI cases require immediate intravenous thrombolysis, angiography, and revascularization, while non-ST-segment elevation acute coronary syndrome ("**NSTE-ACS**") cases proceed to interventional procedures or non-invasive tests based on risk assessment, with transfer to percutaneous coronary intervention ("**PCI**")-capable hospitals when necessary.

Diagnostic Paradigm for CAD



Abbreviations: ACS = Acute Coronary Syndrome; CCS = Chronic Coronary Syndrome; STEMI = ST-Segment Elevation Myocardial Infarction, NSTE-ACS = Non-ST-Segment Elevation Acute Coronary Syndrome; ECG = 12-lead electrocardiogram; PCI = percutaneous coronary intervention.

Note:

*Pre-test Probability ("**PTP**") refers to the estimated likelihood that a patient has a specific disease (e.g., chronic coronary syndrome) before conducting diagnostic tests, based on clinical evaluation and initial findings.*

Source: Chinese Journal of Cardiology, China Insights Consultancy

Although structural imaging such as coronary CTA and coronary angiography visualize coronary anatomy and detect stenosis, it cannot determine if a luminal narrowing causes ischemia. Functional measurement – including stress echocardiography, SPECT imaging, PET imaging, CMR, and pressure wire-derived FFR – assesses the physiological impact of flow-limiting lesions by evaluating myocardial perfusion or hemodynamic significance. Compared to structural imaging, functional measurement more accurately identifies ischemia, improves risk stratification, and guides treatment decisions, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction.

The use of pressure wire for measuring FFR has several shortcomings, primarily due to its invasive procedure and the associated patient suffering. It requires coronary catheterization, which carries risks such as vascular injury, bleeding, or infection. Additionally, the procedure involves manipulating a delicate wire through complex or tortuous coronary lesions, which can be technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy.

Therefore, radionuclide myocardial imaging plays a vital role in the diagnosis, risk stratification, detection of viable myocardium, treatment planning, efficacy evaluation, and prognosis assessment. MPI with SPECT, most commonly using ^{99m}Tc-MIBI radiotracer, is a non-invasive method for diagnosing myocardial ischemia and identifying ischemic regions in patients with CAD. However, SPECT-MPI is limited to qualitative assessments and lacks adequate sensitivity for detecting multi-vessel disease and microvascular dysfunction, which may result in missed or inaccurate diagnoses.

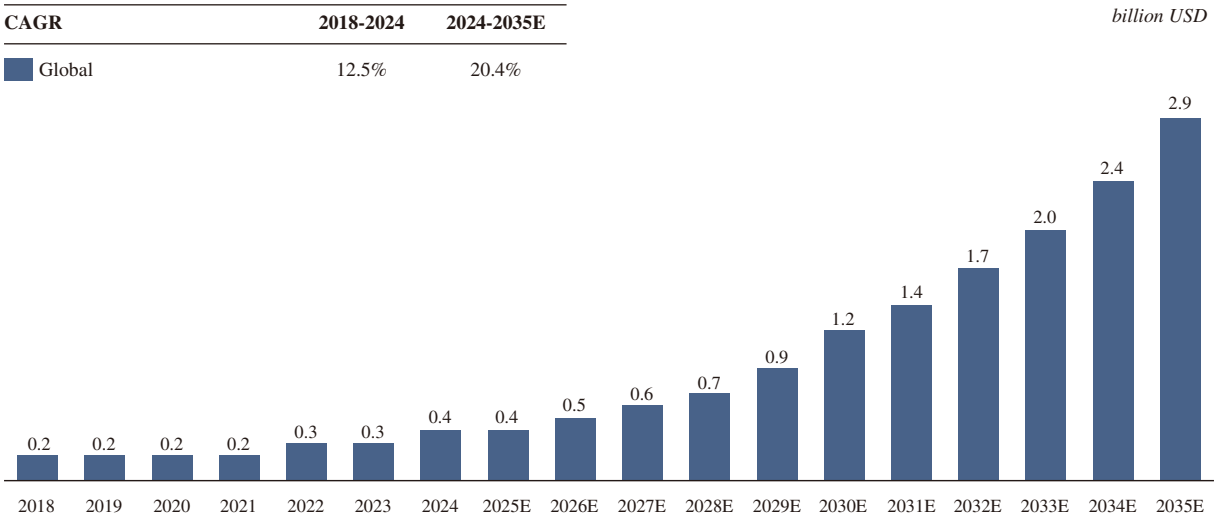
In China, PET-MPI is less commonly used than in developed countries but offers significant advantages over clinically applicable SPECT-MPI, including higher spatial resolution, advanced attenuation correction, and the ability to quantify myocardial blood flow. PET imaging can also assess myocardial flow reserve under both resting and stress conditions. This capability helps reduce unnecessary coronary angiography and fractional flow reserve testing, improving diagnostic accuracy and guiding treatment decisions, while also shortening examination time and supporting broader clinical adoption.

Clinically, it is critical to distinguish viable myocardium from scarred or non-viable tissue in patients with infarcted myocardium following a myocardial infarction. This distinction plays a key role in determining whether the patient may benefit from early revascularization – such as coronary artery bypass grafting or percutaneous coronary intervention – to improve clinical outcomes. Conventional PET myocardial metabolic imaging uses the strategy of glucose loading and ^{18}F-FDG injection to assess total metabolic activity, capturing both intrinsic glucose metabolism and the metabolic shift from fatty acid to glucose utilization in infarcted myocardium. However, this method has several limitations, including (1) the need for glucose regulation, which prolongs the procedure and reduces clinical efficiency, (2) interference from factors that affect image quality in diabetic patients, and (3) an increased risk of hypoglycemia during the glucose-loading process. These limitations highlight the unmet clinical needs in PET-based myocardial metabolic imaging.

Market Size

The global market size for radionuclide myocardial imaging PET tracers was US$0.2 billion in 2018 and reached US$0.4 billion in 2024, with a CAGR of 12.5%. It is projected to grow to US$2.9 billion in 2035, representing a CAGR of 20.4% from 2024 to 2035.

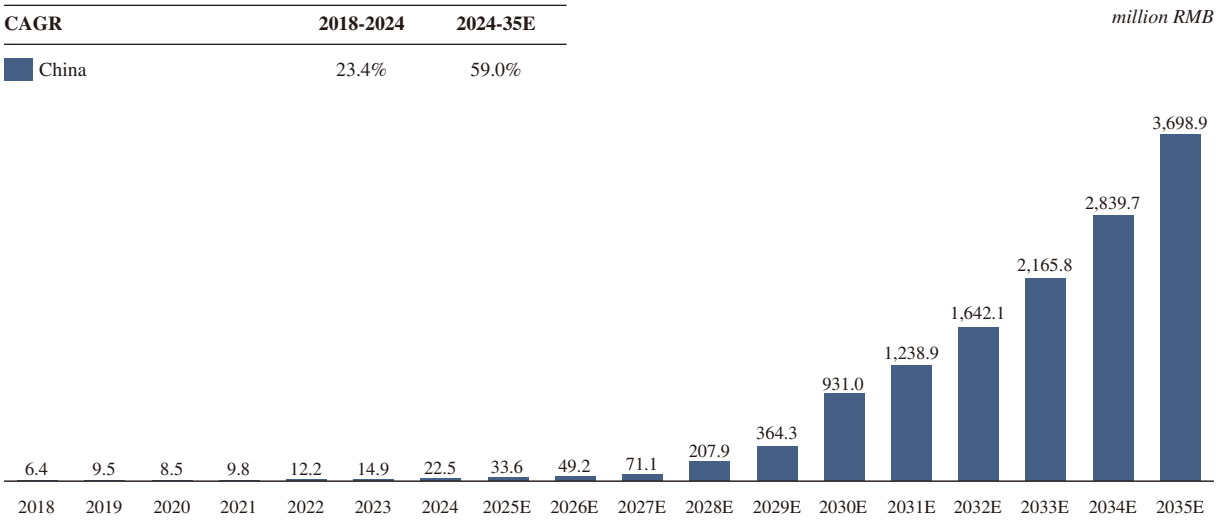
Historical and Forecasted Global Market Size of Radionuclide Myocardial Imaging PET Tracers, 2018-2035E



Source: JACC, FDA, China Insights Consultancy

As of the Latest Practicable Date, ^{18}F-FDG was the only PET tracer approved in China for radionuclide myocardial imaging in the diagnosis of CAD with left ventricular dysfunction. With the anticipated approval of more innovative tracers beginning in 2028, the market for radionuclide myocardial imaging PET tracers in China is expected to grow substantially, expanding from RMB22.5 million in 2024 to RMB3,698.9 million in 2035, representing a robust CAGR of 59.0%.

Historical and Forecasted Market Size of Radionuclide Myocardial Imaging PET Tracers for in China, 2018-2035E



Note:

The market size is estimated based on the sales of approved PET radiotracers indicated for myocardial imaging that are commercially available in China, excluding in-house preparations produced by hospitals.

Source: NBSC, NHC, National Center for Cardiovascular Diseases (國家心血管病中心), Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, China Insights Consultancy

Competitive Landscape

As of the Latest Practicable Date, more than 30 ^{18}F-FDG products and four other PET tracers with different mechanisms of action had been approved by major regulatory authorities globally for myocardial imaging. However, ^{18}F-FDG products were the only PET tracer approved in China for myocardial imaging, leaving an unmet clinical need for innovative modalities to address their limitations.

Approved Myocardial Imaging PET Tracers on a Global Scale*

Structure/MoA	Brand name	Company	Indication	Regulatory Authority**	Approval Date
^{82}Rb-chloride	Cardiogen-82	Bracco Diagnostics	for PET imaging of the myocardium under rest or pharmacologic stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing CAD	FDA	1989-12
^{13}N-Ammonia	N/A	Feinstein Institute for Medical Research	Diagnostic PET imaging of the myocardium under rest or pharmacologic stress conditions to evaluate myocardial perfusion in patients with suspected or existing CAD	FDA	2007-08
^{82}Rb-chloride	Ruby-Fill	DRAXIMAGE	for PET imaging of the myocardium under rest or pharmacologic stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing CAD	FDA	2016-09
^{18}F-Flurpiridaz	Flyrcado	GE Healthcare	PET-MPI in adults with known or suspected CAD to evaluate for heart blood flow blockages (myocardial ischemia) and a heart attack (myocardial infarction)	FDA	2024-09

Notes:

* *Excluding ^{18}F-FDG products, which are used for myocardial metabolism imaging.*

** *Due to variations in regulatory policies across different countries, global approval information are derived from major regulatory authorities, including the FDA, EMA, NMPA and PMDA.*

Source: FDA, China Insights Consultancy

As of the Latest Practicable Date, XTR003 stands out as the first and only PET myocardial fatty acid metabolism imaging agent in China and globally. XTR004 was the first and the only PET tracer for MPI under clinical development in China.

Global Competitive Landscape of Myocardial Imaging PET Tracers Under Clinical Development

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Indication
XTR003	^{18}F-labeled fatty-acid PET tracer	Our Company	II	2022-01-11	PET imaging for CAD with left ventricular dysfunction to assess myocardial viability and the potential for recovery of myocardial contractile function in cases of left ventricular dysfunction
XTR004	^{18}F-fluoromethyl-P-phenylpentadecanoic acid	Our Company	II	2022-01-12	MPI-PET for patients with suspected or known CAD, applied to the evaluation of myocardial ischemia
			II	2024-11-29	MPI-PET under rest or stress conditions in adult patients with or suspected CAD, used to assess myocardial ischemia

Source: CDE, China Insights Consultancy

Growth drivers and Future Trends

- ***Aging Population and Cardiovascular Burden.*** The global population is aging rapidly, with the number of individuals aged 60 and above projected to double in 2050, reaching 2.1 billion. This demographic trend has profound implications for public health, especially with cardiovascular diseases ("**CVD**") and CAD, which disproportionately impact older adults. In China, the burden is particularly heavy, with an estimated 330 million people suffering from CVD, including 11.39 million with coronary heart disease in 2023. According to the China Health Statistics Yearbook 2022, CVD remains the leading cause of death in both urban and rural areas, accounting for 48.98% and 47.35% of deaths, respectively, in 2021.

- ***Non-invasive Diagnostics.*** While coronary angiography remains a widely used diagnostic tool for CAD, clinical practice is increasingly shifting toward the integration of functional assessment techniques with anatomical imaging, and favoring non-invasive approaches over invasive procedures. This paradigm shift enables the accurate identification of functionally significant, ischemia-inducing lesions, ensuring that interventions are reserved for patients who truly need them. By reducing unnecessary invasive procedures and avoiding overtreatment, this approach optimizes both clinical outcomes and resource utilization, aligning with the trend toward personalized, evidence-based coronary care.

- ***Policy-Driven Disease Management.*** Government policies are playing a critical role in shaping the prevention and management of CVD. The 14th Five-Year Plan emphasizes enhancing early screening and diagnostic capabilities for chronic diseases. It encourages routine blood pressure checks for first-time outpatients over 35 and promotes opportunistic screening in clinical settings. Integrated management of hypertension, diabetes, and dyslipidemia is also a key priority, with targets for standardized care at the community level. These efforts, aligned with the Healthy China 2030 Plan, reflect a strategic move toward improving healthcare infrastructure and diagnostic precision to combat rising CVD rates.

- ***Advancement of Precision PET Imaging.*** Innovative PET imaging is transforming the evaluation of CAD by enabling precise, quantitative assessments of myocardial blood flow and coronary flow reserve, especially in patients with complex conditions like multivessel disease. Hybrid PET-CT systems, which integrate functional and anatomical imaging, offer high sensitivity and specificity, enhancing diagnostic confidence and aiding treatment decisions. While installation and operational costs remain high, PET imaging holds great promise in facilitating earlier diagnosis and personalized treatment strategies, thereby improving patient outcomes in CAD care.

REPORT COMMISSIONED BY CHINA INSIGHTS CONSULTANCY

In connection with the **[REDACTED]**, we have engaged China Insights Consultancy Limited to conduct a detailed analysis and prepare an industry report on the radiopharmaceuticals market in China and globally. China Insights Consultancy Limited is an independent global market research and consulting company which was founded in 2014 and is based in Shanghai. Services provided by China Insights Consultancy Limited include market assessments, competitive benchmarking and strategic and market planning for a variety of industries. The contract sum to China Insights Consultancy Limited is RMB850,000 for the preparation of the CIC Report. The payment of such amount was not contingent upon our successful **[REDACTED]** or on the results of the CIC Report. Except for the CIC Report, we did not commission any other industry report in connection with the **[REDACTED]**. We have included certain information from the CIC Report in this document because we believe such information facilitates an understanding of the radiopharmaceuticals market for potential investors. China Insights Consultancy Limited prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, China Insights Consultancy Limited contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. China Insights Consultancy Limited believes that the basic assumptions used in preparing the CIC Report, including those used to make future projections, are factual, correct and not misleading. China Insights Consultancy Limited has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. China Insights Consultancy Limited research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

We shall comply with numerous laws, regulations and rules of the People's Republic of China ("**China**", for purposes of this section only, excluding Hong Kong SAR, Macao SAR and Taiwan) that govern our business operations. This section outlines the principal applicable laws, regulations, rules and policies that may materially affect our business operations.

LAWS AND REGULATIONS GOVERNING PHARMACEUTICAL SUPERVISION

1. Major Regulatory Authorities

The pharmaceutical industry in China is primarily regulated by three key authorities: the National Medical Products Administration (the "**NMPA**"), the National Health Commission (the "**NHC**"), and the National Healthcare Security Administration (the "**NHSA**").

The NMPA serves as China's primary regulatory authority overseeing pharmaceuticals and related industries. Inheriting the drug regulatory functions of its predecessor, the China Food and Drug Administration (the "**CFDA**"), the NMPA is responsible for drafting laws and regulations on drugs and medical devices, formulating policy frameworks and development plans, issuing departmental rules, organizing the compilation and publication of national standards (including the National Pharmacopoeia) and other standards for drugs and medical devices, establishing classification management systems, and supervising their implementation. Its subordinate Center for Drug Evaluation (the "**CDE**") is primarily responsible for conducting technical reviews of drug registration applications and overseeing the related drug registration process.

The NHC is China's primary national regulatory authority overseeing public health and family planning management. The NHC is primarily responsible for formulating national health policies; supervising and standardizing public health, medical services, and health emergency systems; coordinating healthcare system reforms; establishing national drug policies and the essential medicines system; conducting drug utilization monitoring, clinical comprehensive evaluations, and early warning systems for drug shortages; proposing the pricing policy of national essential medicine; and regulating medical service operations as well as healthcare professionals' practices.

The NHSA is primarily responsible for formulating and implementing policies, plans, and standards related to medical insurance, maternity insurance, and medical assistance; administering healthcare security funds; establishing a unified medical insurance catalog and payment standards for drugs, medical consumables, and healthcare services; developing and overseeing procurement policies for drugs and medical consumables, including bidding and tendering mechanisms.

2. Regulations Governing Drug Research & Development, Registration, Production and Marketing Activities

(1) Regulations governing drug research and development

(a) Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law of the People's Republic of China (the "**Drug Administration Law**"), promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in September 1984, most recently revised on August 26, 2019, and effective as of December 1, 2019, China implements the Marketing Authorization Holder (MAH) system for drug regulation. Pursuant to the Drug Administration Law and the Measures for the Administration of Drug Registration (issued by the on February 28, 2005, and revised by the State Administration for Market Regulation ("**SAMR**") on January 22, 2020, with effect from July 1, 2020), an MAH is defined as any enterprise or drug research institution that holds a valid drug registration certificate. Pursuant to relevant laws and regulations, MAHs shall be liable for the drug's non-clinical studies, clinical trials, production and marketing activities, post-marketing surveillance, adverse reaction monitoring and reporting, as well as related handling procedures.

MAHs may either produce drugs themselves or delegate production to licensed pharmaceutical manufacturers. Similarly, MAHs may either directly distribute drugs covered by its registration certificate, or authorize licensed pharmaceutical distributors to handle the commercialization.

MAHs shall establish a pharmaceutical quality system (PQS), and designate qualified personnel with independent responsibility for drug quality management. MAHs shall conduct periodic audits of the Quality Management Systems (QMS) maintained by contracted drug manufacturers and distributors, ensuring their continued compliance with quality assurance and control requirements.

(b) New drug research & development

The Drug Administration Law, together with the Implementing Regulations of the Drug Administration Law of the People's Republic of China (the "**Implementing Regulations**"), promulgated by the State Council in August 2002, most recently revised on December 6, 2024, effective January 20, 2025, establish the legal framework governing drug research, production, distribution, use, supervision, and administration within China.

Pursuant to the Drug Administration Law and its Implementing Regulations, China encourages the research and innovation of new drugs, and protects the lawful rights and interests in new drug research and development. The initiation of clinical trials for any new drug requires prior approval from the NMPA, contingent upon the truthful submission of research protocols, quality specifications, pharmacological and toxicological test results, and other relevant data, documentation and samples by the drug developer and trial sponsor.

(c) Nonclinical research

Nonclinical safety evaluation studies intended to support marketing authorization applications shall comply with China's Good Laboratory Practice (the "**GLP**") for Drug Nonclinical Studies, originally issued by the CFDA in August 2003 and revised in July 2017. GLP establishes a comprehensive quality framework comprising rules and standards that govern the organizational processes and environmental conditions for designing, conducting, monitoring, recording, archiving, and reporting nonclinical laboratory studies. All preclinical related research activities required for drug registration applications shall be performed in accordance with GLP principles.

The Measures for the Administration of Certification of Good Laboratory Practice for Non-Clinical Laboratory Studies, issued by the CFDA in April 2007, most recently revised on January 19, 2023 and effective as of July 1, 2023, mandate that all institutions conducting nonclinical safety evaluation studies for drug registration purposes shall obtain GLP certification.

(d) Animal studies

The State Science and Technology Commission (now the "**Ministry of Science and Technology**" or the "**MOST**") issued the Regulations for the Administration of Affairs Concerning Experimental Animals on November 14, 1988, which were subsequently revised by the State Council on March 1, 2017. The Regulations for the Administration of Affairs Concerning Experimental Animals establish a national quality supervision and certification system, while standardizing breeding practices, disease control measures, research utilization protocols, import-export administration, and personnel qualifications for laboratory animal operations.

Pursuant to both the Administrative Measures on Good Practice of Experimental Animals (jointly issued by the MOST and the State Bureau of Quality and Technical Supervision on December 11, 1997) and the Interim Measures for the Administration of Laboratory Animal Licenses (issued by the MOST and other regulators on December 5, 2001, effective January 1, 2002), any organization or individual utilizing laboratory animals or related products for scientific research shall obtain a License for the Use of Experimental Animals prior to initiating animal studies.

(e) Clinical trials

Pursuant to the Decision on Adjusting the Approval Procedures for Certain Drug Administrative Approval Items (issued by the CFDA on March 17, 2017), the CDE has been authorized to issue clinical trial approvals on behalf of the CFDA effective as of May 1, 2017.

Pursuant to the Measures for the Administration of Drug Registration, clinical trials are required for new drug registration applications. Such trials shall be categorized into Phase I clinical trials, Phase II clinical trials, Phase III clinical trials, Phase IV clinical trials, as well as bioequivalence trials. Pursuant to the Measures for the Administration of Drug Registration, an applicant may submit a clinical trial application (CTA) upon completion of supporting pharmaceutical, pharmacological, and toxicological studies, accompanied by all required documentation as specified in the application dossiers. The CDE shall organize pharmaceutical, medical and other technicians to review the accepted applications for drug clinical trials. The regulatory authority shall, within 60 days from the date of acceptance, determine whether to approve the clinical trial application and notify the applicant of the review outcome via the CDE website. Failure to issue such notification within the stipulated timeframe shall be deemed as approval, whereupon the applicant may proceed with the clinical trial in accordance with the submitted protocol. Drug clinical trials shall be conducted at duly accredited clinical trial institutions that meet all applicable regulatory requirements and have completed the mandatory filing procedures. No drug clinical trial may be conducted without prior review and approval by an ethics committee.

Clinical trials shall be conducted in compliance with the Good Clinical Practice for Drugs Trials (the "**GCP**") jointly issued by the NMPA and the NHC on April 23, 2020, with effect from July 1, 2020. The GCP establishes comprehensive procedural requirements encompassing trial preparation, protocol design, protection of subjects' rights, responsibilities of investigators/sponsors/monitors, and data management with statistical analysis.

The GCP establishes quality standards governing all stages of clinical trials, encompassing protocol design, trial conduct, monitoring, auditing, recording, analysis, summarization, and reporting. The manufacture of investigational medicinal products (IMPs) shall comply with GCP quality management requirements. The use of IMPs shall strictly adhere to the approved clinical trial protocol. The GCP further mandates that clinical trials shall be conducted in compliance with established requirements, encompassing trial preparation, protocol adherence, responsibilities of sponsors and investigators, and protection of trial subjects. The clinical trial protocol typically comprises basic study information, scientific background and rationale, study objectives, trial design, and implementation plan (methods, content, and steps).

(f) Gathering, collection and record-filing of human genetic resources

The Interim Measures for the Management of Human Genetic Resources were jointly issued on June 10, 1998 by the MOST and the Ministry of Health (MOH) – the latter being abolished under the 2013 State Council institutional reform, with its functions successively transferred to the National Health and Family Planning Commission (NHFPC) and ultimately to the NHC. These Measures regulate all activities involving Chinese human genetic resources, including acquisition, preservation, research, development, commercial transactions, export, and cross-border transfer.

Pursuant to the Service Guide for Administrative Licensing of Gathering, Collection, Deal, Export and Exit Approval of Human Genetic Resources (issued by the MOST in July 2015), any foreign involvement in the collection or research activities of human genetic resources shall qualify as international cooperation, with the Chinese partner institution required to obtain approval from the China Human Genetic Resources Management Office via the online system. In October 2017, the MOST issued the Circular on Optimizing the Administrative Examination and Approval of Human Genetic Resources, simplifying the review process for the collection and utilization of human genetic resources required for drug marketing authorization in China.

The Regulations on the Management of Human Genetic Resources of the People's Republic of China (the "**HGR Regulations**"), promulgated by the State Council in May 2019, revised on March 10, 2024 and effective as of May 1, 2024, supersede the Interim Measures for the Management of Human Genetic Resources. These Regulations establish comprehensive governance framework for the collection, preservation, utilization, and outbound transfer of human genetic resources in China. The Implementation Rules for the Administrative Regulation on Human Genetic Resources, issued by the MOST on May 26, 2023, effective July 1, 2023, specify detailed requirements governing the acquisition, preservation, utilization, and outbound transfer of human genetic resources in China.

Pursuant to the HGR Regulations, (i) "human genetic resources" encompass both HGR materials and HGR information. HGR materials refer to biological specimens (including organs, tissues, and cells) containing human genomic DNA, genes, or other hereditary substances; HGR information refers to data and related information derived from the utilization of human genetic resource materials; (ii) the competent health administration department of the State Council is responsible for the national administration of human genetic resources, while other relevant State Council departments exercise oversight within their respective statutory mandates. The human genetic resources authorities of provincial-level governments (including autonomous regions and directly-administered municipalities) administer human genetic resources within their respective jurisdictions, while other competent departments of these governments exercise oversight within their respective statutory mandates; (iii) foreign organizations, individuals, and institutions they establish or de facto control are prohibited from acquiring or preserving Chinese human genetic resources within China, or transferring such resources overseas. Where a foreign organization or an institution established or de facto controlled by a foreign organization or individual intends to use China's human genetic resources for scientific research or clinical trials, such activities shall be conducted in collaboration with Chinese research institutions, universities, medical institutions, or enterprises.

The Biosecurity Law of the People's Republic of China, promulgated by the SCNPC on October 17, 2020 and revised with effect as of April 26, 2024, establishes a comprehensive regulatory framework for biosecurity-related activities in China. It explicitly affirms, at the legal level, China's sovereignty over its human genetic resources and biological resources. It further reinforces the regulatory framework under the HGR Regulations, explicitly designating the competent health regulatory authority of the State Council as the responsible entity for approving or filing the use of China's human genetic resources.

(2) Drug review and registration

(a) Drug marketing authorization

Pursuant to the Measures for the Administration of Drug Registration, the applicant shall submit an application for drug marketing authorization (DMA) upon completing all supporting studies (including pharmaceutical, pharmacological, toxicological, and clinical trial research), establishing quality standards, validating commercial-scale manufacturing processes, and preparing for regulatory inspection and testing. The application dossier shall be submitted in compliance with the prescribed documentation requirements. The CDE conducts a comprehensive review of the drug's safety, efficacy, and quality controllability based on the drug registration dossier, inspection findings, and testing results. If the comprehensive review conclusion is favorable, the drug shall be approved for marketing, and a drug registration certificate shall be issued.

For generic drugs, *in vitro* diagnostic reagents regulated as drugs, or other eligible cases where the applicant, after assessment, determines that clinical trials are unnecessary or impracticable and the conditions for clinical trial waiver are met, the applicant may directly submit an application for DMA. The technical guidelines and specific requirements for clinical trial waivers shall be developed and published by the CDE.

(b) Priority review for certain drug registrations

In August 2015, the State Council issued the Opinions of the State Council on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment, which established the reform framework and outlined key tasks including raising drug registration standards and expediting the review and approval process for innovative drugs.

In November 2015, the CFDA issued the Circular Concerning Several Policies on Drug Registration Review and Approval, which expedited the review and approval process for clinical trials and marketing authorization of designated drugs, including innovative drugs targeting HIV/AIDS, malignancies, major infectious diseases, and rare diseases, as well as pediatric drug registration applications. The measures and policies to streamline and expedite the review and approval of clinical trial applications have been clearly defined, including, but not limited to, adopting a single approval process and discontinuing the phased submission and review approach.

In October 2017, the General Office of the State Council and the general offices of the Chinese Communist Party Central Committee jointly issued the Opinions on Deepening the Reform of the Evaluation and Approval System and Inspiring Innovation of Drugs and Medical Devices (the "**Innovation Opinions**"). The Innovation Opinions established a framework for reforming the review and approval systems for drugs, medical devices and equipment.

In May 2018, the NMPA and the NHC jointly issued the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval, mandating that the CDE prioritize resource allocation across all stages (including technical review, on-site inspection, and administrative approval) for applications under the priority review pathway, thereby further streamlining and accelerating the drug approval process.

The Measures for the Administration of Drug Registration (effective on July 1, 2020) introduced a dedicated chapter on "Expedited Pathways for Drug Marketing Authorization", stipulating that drug candidates meeting the following criteria during clinical trials may apply for conditional approval: (1) drugs intended to treat serious life-threatening diseases with no available effective therapies, where clinical trial data have demonstrated efficacy and can predict clinical benefit; (2) drugs urgently needed for public health emergencies, where clinical trial data have demonstrated efficacy and can predict clinical benefit; (3) vaccines urgently required for responding to major public health emergencies, or other vaccines deemed urgently needed by the NHC, all of which have a favorable benefit-risk assessment.

In July 2020, the NMPA issued and implemented on July 7, 2020 the Breakthrough Therapy Drug Review Procedures (Trial), the Working Procedures for the Review and Approval of Conditional Marketing Authorization Applications for Drugs (Trial), and the Working Procedures for Priority Review and Approval of Drug Marketing Authorization (Trial), further clarifying the accessibility and applicability of expedited registration pathways for innovative drugs.

(c) Special approval procedure

On November 18, 2005, the CFDA issued the Procedures of the CFDA for the Special Examination and Approval of Drugs, stipulating that during imminent or actual public health emergencies, the CFDA shall implement expedited measures to accelerate the approval of drugs essential for public health emergency response.

The Measures for the Administration of Drug Registration explicitly authorize the NMPA to initiate special approval procedures for drugs essential for public health emergency response, both during imminent or actual public health emergencies, in accordance with legal provisions.

(3) Drug manufacturing provisions

(a) Drug production license

Pursuant to the Drug Administration Law, an MAH shall obtain a Drug Production License for in-house manufacturing, or may commission qualified drug manufacturers for outsourced production. Pursuant to the Measures for the Supervision and Administration of Drug Production issued by the CFDA on August 5, 2004 and most recently revised on January 22, 2020, with effect from July 1, 2020, a Drug Production License shall be valid for five years. The license holder shall apply for renewal to the original licensing authority – the provincial-level department of the NMPA at least six months prior to the expiration date.

(b) Drug production standards

The Good Manufacturing Practice for Pharmaceutical Products (the "**GMP**"), issued by the Ministry of Health in March 1988 and most recently revised in January 2011 with effect from March 1, 2011, establishes comprehensive regulatory standards governing all aspects of drug manufacturing. These standards cover organizational structure, personnel qualifications, facility requirements, equipment standards, personnel hygiene, production and quality control processes, management of starting and packaging materials, maintenance of sales records, and complaint handling procedures.

In November 2019, the NMPA issued the Announcement on Implementing the Drug Administration Law of the People's Republic of China, which abolished the GMP certification system, effective December 1, 2019. Thereafter, drug regulatory authorities ceased accepting GMP certification applications and issuing GMP certificates. Pursuant to the Drug Administration Law, drug manufacturers shall continue to comply with GMP requirements by establishing and maintaining a comprehensive GMP system, to ensure full compliance with statutory requirements throughout the entire production process.

The Measures for Drug Inspection (Trial), issued by the NMPA in May 2021 and revised with effect from July 19, 2023, require that first-time applicants for a Drug Production License shall undergo on-site inspections based on GMP compliance requirements. Applications for Drug Production License renewal shall be reviewed based on risk management principles, with consideration given to the enterprise's compliance with pharmaceutical laws and regulations, and the implementation status of GMP and quality management systems, and may require GMP compliance inspections when necessary. GMP compliance inspections shall be required for existing production facilities at their original sites as well as for any newly constructed, modified, or expanded workshops or production lines at different locations. For drug marketing authorization applications, pre-approval GMP compliance inspections shall be conducted as required under the Measures for the Supervision and Administration of Drug Production.

(4) Drug operation provisions

(a) Drug operating license

Pursuant to the Drug Administration Law, entities engaged in pharmaceutical wholesale activities shall obtain prior approval from the drug regulatory authority of the provincial-level governments (including autonomous regions and directly-administered municipalities) and acquire a Pharmaceutical Trading License. Entities engaged in pharmaceutical retail activities shall obtain prior approval from the drug regulatory authority of the local people's government at or above the county level and acquire a Pharmaceutical Trading License. No entity shall conduct any pharmaceutical distribution activities, including wholesale or retail operations, without obtaining a valid Pharmaceutical Trading License. No Pharmaceutical Trading License shall be valid beyond its specified period without official review and renewal, and each license shall clearly state its authorized business scope. MAHs may either directly distribute drugs covered by its registration certificate, or authorize licensed pharmaceutical distributors to handle the commercialization. MAHs engaging in drug retail activities shall obtain a Pharmaceutical Trading License. Any MAH engaging in direct drug distribution shall comply with all applicable statutory requirements. For outsourced distribution activities, the MAH shall contract exclusively with licensed pharmaceutical distributors.

Pursuant to the Measures for the Quality Supervision of Drug Distribution and Use issued by the SAMR on September 27, 2023, and effective as of January 1, 2024, a Drug Operation License shall be valid for five years. Holders of a Pharmaceutical Trading License shall apply for renewal to the original licensing authority within the period between six months and two months prior to the expiration of the license's validity period.

(b) Good Supply Practice

The Good Supply Practice for Pharmaceutical Products (the "**GSP**"), revised and issued by the CFDA, took effect on July 13, 2016. As the fundamental standard for pharmaceutical distribution in China, the GSP applies to all drug distribution enterprises operating within the country. The GSP requires pharmaceutical distributors to implement stringent controls over their operations, including personnel qualifications, business premises, warehouses, equipment and facility inspection, management protocols, and quality control standards.

In November 2019, the NMPA issued the Announcement on Implementing the Drug Administration Law of the People's Republic of China, which abolished the GSP certification system, effective December 1, 2019. Thereafter, drug regulatory authorities ceased accepting GSP certification applications and issuing GSP certificates. Pursuant to the Drug Administration Law, licensed pharmaceutical distributors shall continue to comply with GSP requirements by establishing and maintaining a comprehensive GSP system, to ensure full compliance with statutory requirements throughout the entire distribution process.

(5) Medical device regulations

The Regulations on the Supervision and Administration of Medical Devices (promulgated by the State Council in January 2000, revised on December 6, 2024, effective as of January 20, 2025) govern the research, production, distribution, use, and supervision of medical devices within China. Under these Regulations, the drug regulatory department under the State Council is responsible for the nationwide supervision and administration of medical devices. Medical devices are classified into three categories according to their risk level: Class I devices pose a low risk and can be safely managed under routine controls; Class II devices carry a moderate risk and require stricter management to ensure safety and effectiveness; Class III devices present a high risk and demand special measures with stringent controls to guarantee their safety and performance. Under these regulations, Class I medical devices are subject to product filing, whereas Class II and Class III devices require product registration.

3. Other laws and regulations on the pharmaceutical industry

(1) Coverage of the national medical insurance system

Pursuant to the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees (issued on December 14, 1998), all urban employers and their employees shall participate in the basic medical insurance program, with premiums shared between employers and employees. On July 10, 2007, the State Council issued the Guiding Opinions of the State Council on Launching the Pilot Program for Urban Resident Basic Medical Insurance, further expanding the coverage of basic medical insurance. Under this policy, non-working urban residents in pilot areas could voluntarily participate in the Urban Resident Basic Medical Insurance scheme. In addition, on January 3, 2016, the State Council issued the State Council Opinions on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents, which mandated the integration of the Urban Resident Basic Medical Insurance and the New Rural Cooperative Medical Scheme (NRCMS) into a unified system. This unified system covers all urban and rural residents, excluding those enrolled in the Urban Employee Basic Medical Insurance, rural migrant workers, and flexible employment personnel.

(2) National Reimbursement Drug List

Pursuant to the Interim Measures for the Administration of Drugs Covered by Basic Medical Insurance (issued by the NHSA on July 30, 2020, and effective as of September 1, 2020), the scope of drugs reimbursable under basic medical insurance is governed by the National Reimbursement Drug List (NRDL). Within the NRDL, Western medicines and Chinese patent medicines are classified into Class A and Class B drugs. Class A drugs refer to those clinically essential, widely used, therapeutically proven, and more cost-effective (with lower prices or treatment costs) compared to other drugs in the same category. Class B drugs are clinically alternative options, also therapeutically proven, but slightly more expensive (with higher prices or treatment costs) than Class A drugs. For Class A drugs, the insured's payment follows the reimbursement standards and cost-sharing rules defined by the basic medical insurance. For Class B drugs, the insured shall first cover a designated percentage of the cost (as per insurance standards), with the remaining balance reimbursed under the insurance's cost-sharing rules.

The National Reimbursement Drug List for Basic Medical Insurance, Work Injury Insurance, and Maternity Insurance (2024) (the "**NRDL**"), issued by the NHSA and the Ministry of Human Resources and Social Security, took effect on November 27, 2024. It defines the reimbursement standards for drugs covered under China's basic medical insurance, maternity insurance, and work injury insurance programs. All localities shall strictly comply with the NRDL and are prohibited from making any unauthorized adjustments to the included drugs, their classifications (Category A/B), or usage notes.

(3) Centralised Volume-based procurement

In January 2019, the State Council promulgated the Pilot Program for National Centralised Volume-Based Procurement (VBP) and Use of Drugs, launching a pilot program based on the principle of "national coordination, alliance-based procurement, and platform-based operation". The pilot program was initially implemented in 11 cities: Beijing, Tianjin, Shanghai, Chongqing, Shenyang, Dalian, Xiamen, Guangzhou, Shenzhen, Chengdu, and Xi'an. Thereafter, the VBP program has been progressively expanded – geographically from pilot cities to nationwide coverage, institutionally from public hospitals to select private medical facilities, and pharmaceutically to include more drug categories. Pursuant to the 14th Five-Year Plan for Universal Medical Security (2021-2025), the number of drug categories covered by this system is projected to reach 500 by 2025.

Pursuant to the Interim Measures for the Administration of Designated Medical Institutions under Medical Insurance issued by the NHSA on December 30, 2020, and effective as of February 1, 2021, designated medical institutions shall implement centralized procurement policies in accordance with relevant regulations and prioritize the use of winning products (drugs and medical consumables) from the VBP program.

On November 18, 2024, the NHSA and the NHC jointly issued the Notice on Improving the Work Mechanism for Centralised Volume-Based Procurement and Implementation of Pharmaceuticals and Medical Consumables, mandating that medical institutions shall prioritize the procurement and use of winning products (drugs and consumables) under the VBP program as stipulated.

(4) Drug pricing

According to the Price Law of the People's Republic of China, promulgated by the SCNPC on December 29, 1997, and implemented on May 1, 1998, a market-regulated price refers to a price independently set by operators and formed through market competition. A government-guided price refers to a price set by operators under the guidance of the pricing authorities or other relevant departments of the government in accordance with this law, based on the prescribed pricing authority and scope, which stipulates the benchmark price and its floating range. When selling or purchasing goods and providing services, operators shall clearly mark the prices in accordance with the regulations of the government pricing authorities, indicating details such as the product name, origin, specifications, grade, pricing unit, price, or service items and charging standards.

Under the Drug Administration Law, for drugs subject to market-regulated pricing, marketing authorization holders, drug manufacturers, drug distributors, and medical institutions shall set prices in accordance with the principles of fairness, reasonableness, good faith, and value-for-money to provide patients with reasonably priced drugs. Marketing authorization holders, drug manufacturers, drug distributors, and medical institutions shall comply with the drug pricing management regulations issued by the drug pricing authorities under the State Council, establish and display retail prices, and prohibit excessive profits, price monopolies, and price fraud.

According to the Opinions on Strengthening Current Drug Price Management, issued by the National Healthcare Security Administration on November 26, 2019, and implemented on the same day, the general direction of market-regulated drug pricing shall be upheld. The scope of drugs subject to pricing management by the healthcare security authorities includes chemical drugs, traditional Chinese medicines, biochemical drugs, prepared herbal slices, and hospital preparations. Among them, narcotic drugs and Class I psychotropic substances shall be subject to government-guided pricing, while other drugs shall follow market-regulated pricing. Drug operators (including marketing authorization holders, manufacturers, distributors, etc.) shall set prices in accordance with the principles of fairness, legality, good faith, and value-for-money, ensuring that drug prices reflect cost changes and market supply-demand dynamics while maintaining reasonable stability.

LAWS AND REGULATIONS GOVERNING RADIOPHARMACEUTICALS

1. Major Regulatory Authorities

In addition to the pharmaceutical regulatory authorities mentioned earlier, our operations are also subject to oversight by environmental protection agencies, as detailed below:

The Ministry of Ecology and Environment of the People's Republic of China (the "**MEE**") is primarily responsible for the supervision and administration of nuclear and radiation safety. The MEE retains the designation of the National Nuclear Safety Administration (the "**NNSA**"). As the State Council's regulatory authority for nuclear and radiation safety, the NNSA oversees nuclear and radiation safety supervision, formulates relevant policies, plans, and standards, leads nuclear safety coordination mechanisms, participates in nuclear accident emergency response, and manages radiological environmental incident preparedness. The NNSA supervises and ensures the safety of nuclear facilities and radioactive sources, including pollution prevention in the operation of nuclear facilities, application of nuclear technologies, electromagnetic radiation activities, and the exploitation of mineral resources associated with radioactivity. The NNSA exercises regulatory oversight over nuclear material control, as well as the design, manufacture, installation and non-destructive testing of civil nuclear safety equipment.

2. Manufacturing and Marketing of Radiopharmaceuticals

The Measures for the Administration of Radioactive Pharmaceuticals, promulgated by the State Council on January 13, 1989, revised on December 6, 2024, and effective as of January 20, 2025, require that enterprises producing or distributing radioactive pharmaceuticals shall comply with the Drug Administration Law, adhere to national radioisotope safety and protection standards, and obtain approval for environmental impact assessment documentation. To establish a radiopharmaceutical production enterprise, approval shall first be obtained from both the competent department of national defense science and technology industry and the drug regulatory authority of the relevant province, autonomous region, or municipality directly under the Central Government. Upon approval, the local drug regulatory authority shall issue the License for the Production Enterprise of Radioactive Drugs. To establish a radiopharmaceutical distribution enterprise, the drug regulatory authority of the relevant province, autonomous region, or municipality directly under the Central Government shall conduct a review and seek the opinion of the local competent department of national defense science and technology industry. Upon approval, the local drug regulatory authority shall issue the License for the Business Enterprise of Radioactive Drugs. No enterprise shall produce or distribute radiopharmaceuticals without obtaining the required license.

The License for the Production Enterprise of Radioactive Drugs and the Radiopharmaceutical Distribution Enterprise License shall be valid for five years. Enterprises engaged in radiopharmaceutical production or distribution shall submit a renewal application to the original drug regulatory authority within six months prior to the expiration date.

The Guidelines for Radiopharmaceutical Production Inspection (Trial), issued by the Special Drugs Inspection Center of the NMPA on December 16, 2024, and effective as of March 1, 2025, specify inspection requirements for radiopharmaceutical manufacturing processes. These include the legal basis for inspections, as well as key inspection elements covering facility and equipment standards, production management, quality control, and quality assurance systems.

3. Use of Radiopharmaceuticals

Pursuant to the Measures for the Administration of Radioactive Pharmaceuticals, medical institutions establishing nuclear medicine departments/units (including isotope laboratories) shall employ appropriately trained nuclear medicine technicians commensurate with their clinical service requirements. Only personnel with nuclear medicine qualifications or specialized training may engage in radiopharmaceutical handling. Medical institutions utilizing radiopharmaceuticals shall comply with national radioisotope safety regulations while maintaining dedicated premises, equipment, sanitary conditions, and dedicated storage facilities that meet all requirements for the specific radiopharmaceuticals used. Medical institutions preparing radiopharmaceuticals shall comply with the relevant provisions of the Drug Administration Law and its implementing regulations. Medical institutions utilizing prepared radiopharmaceuticals shall apply to the drug regulatory authority of their respective province, autonomous region, or municipality directly under the Central Government for issuance of the corresponding class of License for the Use of Radioactive Drugs. The Radiopharmaceutical Use License shall be valid for five years. Medical institutions shall submit a renewal application to the original licensing authority within six months prior to its expiration, and a new license shall be issued upon approval.

Pursuant to the Measures for the Quality Supervision of Drug Distribution and Use issued by the SAMR on September 27, 2023, and effective as of January 1, 2024, MAHs and drug distribution enterprises shall enhance management of procurement and sales personnel; provide training on applicable laws, regulations, technical standards, operational norms, and specialized knowledge; and assume legal liability for all drug distribution activities.

4. Transport of Radioactive Articles

According to the provisions of the Measures for the Control of Radioactive Drugs, the transportation of radioactive drugs shall be implemented in accordance with the relevant regulations formulated by national transportation, postal and other departments. It is strictly forbidden for any entity or individual to carry radioactive medicine on public transportation.

According to the Regulation on the Administration of Transport Safety of Radioactive Articles issued by the State Council on September 14, 2009, and effective as of January 1, 2010, entities involved in the production, sale, use, or disposal of radioactive articles may apply for the qualification of non-commercial road transport of hazardous goods from the road transport administration authorities of the people's governments at the municipal level of the district in which it is located for transportation of its radioactive articles, in accordance with the Regulation of the People's Republic of China on Road Transport. The transport qualification stipulated by the state shall be obtained for carriage of radioactive articles. The qualification management of carriers shall be implemented in accordance with the relevant laws, administrative regulations and the provisions of the competent departments of transportation, railways, civil aviation and posts under the State Council.

According to the Regulations on the Administration of Road Transport of Radioactive Materials issued by the Ministry of Transport on November 10, 2023 and implemented on the same day, entities applying for road transport of radioactive articles shall have dedicated vehicles and equipment that meet the requirements, qualified personnel, and a sound safety production management system. Entities that produce, sell, use or dispose of radioactive articles may use their own special vehicles to engage in non-commercial road transport of radioactive articles for their own use if they have valid certificates of approval to produce, sell, use or dispose of radioactive articles issued by the relevant authorities according to the laws; radioactive article transport containers that meet national requirements; professional and technical personnel with knowledge of radiation prevention and safety protection; drivers, special vehicles, equipment and production safety and management systems that meet the requirements of the Regulations on the Administration of Road Transport of Radioactive Materials.

According to the Procedures for the Air Transport of Radioactive Materials issued by the Civil Aviation Administration of China in April 2024, carriers accepting radioactive materials for air transport must hold a dangerous goods air transport license issued by the regional civil aviation administration. Shippers are responsible for the nuclear and radiation safety and emergency response of radioactive materials in the transportation, ensure the legality of the items to be shipped, and complete all required administrative approval procedures in accordance with the law.

5. Legal Requirements for Isotopes, Radioactive Sources and Radioactive Radiation Devices

(1) Radiation Safety Permit

According to the Law of the People's Republic of China on Prevention and Control of Radioactive Pollution promulgated by the Standing Committee of the National People's Congress on June 28, 2003, and implemented on October 1, 2003, entities producing, selling, or using radioisotopes and radiation devices shall apply to obtain a permit and go through the registration procedures in accordance with the relevant provisions of the State Council on prevention of radioactivity from the radioisotopes and radiation devices. An entity transferring or importing radioisotope and radiation devices or an entity equipped with radioisotope instruments shall go through the relevant formalities in accordance with the relevant provisions of the State Council on prevention of radioactivity from the radioisotope and radiation devices.

According to the Regulations on the Safety and Protection of Radioactive Isotopes and Radiation Devices issued by the State Council on September 14, 2005, last revised on March 2, 2019, and effective on the same day, entities that manufacture, sell, or use radioisotopes and radiation devices shall obtain a permit. The validity period of the permit is 5 years. If the validity period of a permit needs to be renewed upon expiry, the entity holding the permit shall, 30 days prior to the expiry of such permit, submit an application for renewal to the original permit-issuing authority.

According to the Measures for Administration of the Safety Permit of Radioisotope and Radiation Devices issued by the Ministry of Environmental Protection (abolished during the 2018 State Council institutional reform, with its functions taken over by the Ministry of Ecology and Environment) on January 18, 2006, last revised on January 4, 2021, and effective on the same day, entities that manufacture, sell, or use radioisotopes and radiation devices in China (the "**radiation work units**") shall obtain a radiation safety permit according to the laws. Before applying for a permit, the radiation work unit shall organize the compilation or filling out of an environmental impact assessment document and submit it to the competent environmental protection department for approval in accordance with the prescribed procedures. Environmental impact assessment documents are classified according to the safety and protection requirements of radioisotope and radiation devices and their impact on the environment. The preparation of the environmental impact assessment documents is not required for activities of transfer of radioisotopes and radiation devices. Radiation work units shall engage in the production, sale, and use of radioisotopes and radiation devices in accordance with the provisions of the permit.

(2) Transfer and assignment of radioisotopes

The Regulations on the Safety and Protection of Radioactive Isotopes and Radiation Devices stipulate that when transferring radioisotopes, the transferee shall report each transfer to the competent provincial-level environmental protection department for review and approval. Radioisotopes may only be transferred between licensed organizations. The transfer of radioisotopes to entities without a license or beyond the type and scope specified in the license is prohibited. Radioisotopes may not be transferred without approval. Entities that use radioisotopes and need to transfer them to other provinces, autonomous regions, or municipalities for use shall, within 10 days prior to the implementation of the activity, submit a copy of the license to the provincial-level environmental protection department in the place of use for the record, report in writing to the provincial-level environmental protection department in the place of removal, and accept the supervision and administration of the environmental protection department in the place of use.

LEGAL PROVISIONS ON THE COMPANY LAW AND FOREIGN INVESTMENT

The establishment, operation, and management of enterprises in China are governed by the Company Law of the People's Republic of China (the "**Company Law**"), enacted by the NPCSC in December 1993, and subsequently revised in December 1999, August 2004, October 2005, December 2013, October 2018, and December 2023. The latest revised Company Law, which took effect on July 1, 2024, primarily introduces revisions to refine the company formation and exit mechanisms, optimize corporate governance structures, enhance the capital contribution system, strengthen the liabilities of controlling shareholders and management personnel, and emphasize corporate social responsibilities. The term "company" as used in the Company Law includes both limited liability companies and joint stock companies. The Company Law also applies to both domestic-funded enterprises and foreign-invested enterprises. If the laws on foreign investment provide otherwise, such provisions shall prevail.

The National People's Congress (the "**NPC**") promulgated the Foreign Investment Law of the People's Republic of China (the "**Foreign Investment Law**") in March 2019. The Law came into effect on January 1, 2020, simultaneously repealing the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises, the Law of the People's Republic of China on Sino-Foreign Equity Joint Ventures, and the Law of the People's Republic of China on Sino-Foreign Contractual Joint Ventures. Thereafter, the Foreign Investment Law has served as the fundamental legislation governing foreign investors (including foreign individuals, enterprises, or other organizations) in making direct or indirect investments in China. Direct or indirect investment activities by foreign investors in China include the following: 1) a foreign investor establishes a foreign-invested enterprise in China independently or in collaboration with other investors; 2) a foreign investor acquires shares, equity, property stakes, or other similar rights/interests in a Chinese domestic enterprise; 3) a foreign investor invests independently or jointly with other investors in a new project in China; and 4) other forms of investment as prescribed by laws, administrative regulations, or the State Council.

In December 2019, the State Council promulgated the Implementing Regulations of the Foreign Investment Law of the People's Republic of China (the "**FIL Implementing Regulations**"), which took effect in January 2020. The FIL Implementing Regulations further specify that the State encourages and facilitates foreign investment, safeguards the lawful rights and interests of foreign investors, regulates foreign investment administration, continuously improves the foreign investment environment, and promotes higher-standard opening-up.

China applies a pre-establishment national treatment plus negative list management system for foreign investment. Pre-establishment national treatment means that foreign investors and their investments shall be accorded treatment no less favorable than that accorded to domestic investors and their investments during the investment establishment phase. The negative list refers to the special administrative measures for market access imposed by the State on foreign investment in specific sectors. Foreign investments not falling within the negative list shall receive national treatment.

The National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) jointly released the Catalogue of Encouraged Industries for Foreign Investment (2022 Edition) on October 26, 2022, which took effect on January 1, 2023. On September 6, 2024, they further issued the Special Administrative Measures for Market Access of Foreign Investment (Negative List) (2024 Edition) (the "**Negative List**"), which came into force on November 1, 2024. The Negative List uniformly sets out the special administrative measures for the entry of foreign investment, such as requirements on equity and senior executives. For sectors not listed in the Negative List, management shall be implemented under the principle of equal treatment for domestic and foreign investment. Domestic enterprises operating in sectors prohibited under the Negative List that seek to issue shares and list overseas shall obtain approval from the relevant competent authorities. Foreign investors shall be prohibited from participating in the corporate governance of such enterprises, and their shareholding ratio shall comply with the applicable regulations governing foreign investment in domestic securities.

The Measures for the Reporting of Foreign Investment Information were jointly issued by the Ministry of Commerce (MOFCOM) and SAMR on December 30, 2019, and came into effect on January 1, 2020. Pursuant to the Measures for the Reporting of Foreign Investment Information, where a foreign investor conducts investment activities directly or indirectly within the territory of China, such foreign investor or the relevant foreign-invested enterprise shall submit investment information reports to the competent commerce authorities in accordance with these Measures. Foreign-invested enterprises shall submit annual reports including basic enterprise information, information on investors and their de facto controller(s), and operational and financial information (including assets and liabilities). For sectors subject to the Special Administrative Measures for Foreign Investment Market Access (Negative List), enterprises shall additionally submit documentation of obtained industry licenses/permits.

REGULATIONS IN RELATION TO INTELLECTUAL PROPERTY

1. Patents

According to the provisions of the Patent Law of the People's Republic of China (the "**Patent Law**"), promulgated by the Standing Committee of the National People's Congress on March 12, 1984, amended on October 17, 2020, and implemented as of June 1, 2021, patents are divided into invention patents, utility model patents, and design patents. The protection period is 20 years for an invention patent, 10 years for a utility model patent and 15 years for a design patent, commencing from their respective application dates. The Patent Law adopts the "first-to-file" principle, which means that if two or more applicants file separate applications for the same invention, the patent right shall be granted to the applicant who files the application first.

According to the Patent Law, any person who, without authorization, uses a patent, imitates another's patented product, or engages in any of the other acts that infringe upon the patent right shall be liable for infringement. The Patent Law implements a compulsory licensing system, which means that for the sake of public health, the patent administration department under the State Council may grant a compulsory license to manufacture and export the patented pharmaceutical products to countries or regions that comply with the relevant international treaties to which China is a party.

In addition, the Patent Law introduces a patent term compensation system to compensate for the time taken for the review and approval of new drug marketing. The patent administration department under the State Council shall grant patent term compensation for invention patents related to new drugs that have obtained permission for marketing in China upon request of the patentee. The compensated extension shall not exceed five years, and the total valid patent term after the new drug is approved for the market shall not exceed 14 years.

According to the Patent Law, during the review and approval of marketing authorization of a drug, if the applicant of drug marketing authorization and the patentee or interested party have a dispute regarding patent rights of the drug under application, the relevant parties may file a lawsuit with the people's court and request a judgment on whether the relevant technical solution of the drug under application falls within the scope of protection of the relevant patent rights. The Drug Regulatory Authority under the State Council may make a decision on whether to suspend the drug marketing authorization according to effective judgment of the people's court within specified period. The applicant of drug marketing authorization and the patentee or interested party may also request an administrative ruling from the patent administration department of the State Council regarding patent right disputes related to the drug under application for registration. The drug regulatory authority under the State Council, in conjunction with the patent administration department under the State Council, shall formulate specific measures for the convergence of drug marketing approval and resolution of patent disputes during the drug marketing application stage, and implement them after they have been approved by the State Council.

2. Trademark

Pursuant to the Trademark Law of the People's Republic of China promulgated by the Standing Committee of the National People's Congress on August 23, 1982, last amended on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulations of the Trademark Law of the People's Republic of China issued by the State Council on August 3, 2002, last revised on April 29, 2014 and effective from May 1, 2014, the validity period of registered trademarks is 10 years, commencing from the date of approval of registration. A trademark registrant intending to continue to use the registered trademark upon expiry of its validity period shall go through the formalities of renewal within 12 months before the expiry according to the relevant provisions. If failing to do so, the trademark registrant may be granted a six-month grace period. The period of validity for each renewal of registration shall be ten years as of the next day of the previous period of validity. If the formalities of renewal are not undergone within the grace period, the registration of the trademark will be canceled.

3. Copyright

Copyright is protected by the Copyright Law of the People's Republic of China promulgated by the Standing Committee of the National People's Congress on September 7, 1990, last amended on November 11, 2020, and effective from June 1, 2021, and the Implementation Regulations of the Copyright Law of the People's Republic of China issued by the State Council on May 1, 1991, last amended on January 30, 2013, and effective from March 1, 2013, which provide provisions on the classification of works, the obtaining and protection of copyright, and the related rights.

4. Domain Name

Domain names are protected by the Measures for the Administration of Internet Domain Names issued by the Ministry of Industry and Information Technology (the "**MIIT**") on August 24, 2017 and effective from November 1, 2017 and the Implementing Rules on Registration of China Country Code Top-level Domain Names issued by China Internet Network Information Center on June 18, 2019 and effective therefrom. The MIIT supervises and manages domain name services nationwide. The China Internet Network Information Center is responsible for operating and managing the country code top-level domain name system. Domain name registration is handled by domain name registration service institutions established in accordance with relevant regulations. The applicants become domain name holders upon successful registration.

5. Trade Secret

According to the Anti-Unfair Competition Law of the People's Republic of China (the "**Anti-Unfair Competition Law**") promulgated by the Standing Committee of the National People's Congress on September 2, 1993 and amended on April 23, 2019, and the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Trade Secret Infringement issued by the Supreme People's Court on September 10, 2020 and effective from September 12, 2020, the term "trade secrets" refers to technical, operational and other business information that is unknown to the public, has commercial value, and is maintained as a secret with relevant security measures taken by its right holders.

According to the Anti-Unfair Competition Law, business operators are prohibited from infringing on others' trade secrets. A third party will be deemed to have infringed upon a trade secret if the third party knew or should have known that there was an offense against the trade secret of another person, but nevertheless acquired, publicized, used, or permitted another person to use such trade secret. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities shall order the cessation of any illegal activities and impose fines on the infringing parties.

REGULATIONS ON ENVIRONMENTAL PROTECTION AND SAFETY

1. Environmental Protection

The Environmental Protection Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress on December 26, 1989, and last amended on April 24, 2014, and implemented on January 1, 2015, sets out the regulatory framework and outlines the powers and responsibilities of environmental protection regulatory agencies. The Ministry of Environmental Protection under the State Council has the power to issue national environmental quality standards and national pollutant discharge standards, and to exercise unified supervision and administration of environmental protection practices across the country. At the same time, local environmental protection authorities may establish local standards that are more stringent than national standards, and all enterprises must comply with both national and local standards.

2. Environmental Impacts Assessment

In accordance with the Regulations on the Environmental Protection Management of Construction Projects, promulgated by the State Council on November 29, 1998, revised on July 16, 2017, and effective on October 1, 2017, where a construction project is likely to have a significant impact on the environment, an environmental impact report shall be prepared to conduct a comprehensive and detailed assessment of the pollution and environmental impact of the construction project; where a construction project is likely to have a minor impact on the environment, an environmental impact report form shall be compiled to analyze or specially evaluate the pollution and environmental impact of the construction project; where a construction project has a minimal impact on the environment and does not require environmental impact assessment, an environmental impact registration form shall be completed.

A construction unit that needs an environmental impact report or an environmental impact registration form for a construction project, shall submit the relevant report or registration form to the competent authority under the Regulations on the Environmental Protection Management of Construction Projects and the Environmental Impact Assessment Law of the People's Republic of China promulgated by the Standing Committee of the National People's Congress on October 28, 2002, and last amended and implemented on December 29, 2018.

3. Discharge Permit

The Regulations on the Administration of Pollutant Discharge Permits issued by The Ministry of Ecology and Environment on April 1, 2024, and implemented on July 1, 2024, stipulate that enterprises, public institutions and other producers and operators that are subject to the administration of discharge permit (the "**discharge units**") shall apply for and obtain the discharge permit according to the laws, and discharge pollutants in compliance with the requirements of the discharge permit; those who have not obtained the discharge permit shall not discharge pollutants; and enterprises, public institutions and other producers and operators who are required to fill out pollutant discharge registration forms (the "**pollutant discharge registration units**") according to the laws shall register their pollutant discharge information on the national pollutant discharge permit management information platform.

In accordance with the Classified Management List of Discharge Permits of Fixed Pollution Sources (2019 Edition) issued by the Ministry of Ecology and Environment on December 20, 2019, discharge units are divided into three categories based on factors such as the volume of pollutants produced, emissions, and the degree of impact on the environment. They are subject to key management, simplified management, and registration management of pollutant discharge permits, respectively. The ones subject to registration management do not need to apply for a pollutant discharge permit.

The State Council promulgated the Regulation on Administration of Discharge Permit on January 24, 2021, which took effect on March 1, 2021, further refining pollutant discharge management. Pollutant discharge permit management for discharge units are divided into key management and simplified management based on factors such as the volume of pollutants produced, emissions, and the degree of impact on the environment. Review on pollutant discharge permits, and decisions and information disclosure, etc., shall be handled through the national pollutant discharge permit management information platform. The validity period of a pollutant discharge permit is 5 years. A discharge unit that needs to continue to discharge pollutants after expiry shall apply for an extension 60 days before the expiry of the permit.

4. Inspection and Acceptance of Environmental Protection Facilities

The Regulations on the Environmental Protection Management of Construction Projects stipulate that upon completion of construction projects for which an environmental impact report or environmental impact report form has been formulated, the construction entity shall, pursuant to the standards and procedures stipulated by the competent administrative department of environmental protection under the State Council, conduct an inspection and acceptance of the environmental protection facilities formulate the acceptance report, and disclose the acceptance inspection report according to the law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. If the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

5. Hazardous Chemicals

In accordance with the Regulations on the Security Management of Hazardous Chemicals, promulgated by the State Council on January 26, 2002, and last amended and effective on December 7, 2013, the state implements a registration system for hazardous chemicals. Manufacturers and importers of hazardous chemicals must apply for registration of their hazardous chemicals with the authority responsible for hazardous chemical registration under the State Council's production safety supervision and administration department.

The State Council promulgated the Regulation on the Administration of Precursor Chemicals on August 26, 2005 and last amended and effective on September 18, 2018, adopting the classified administration and a licensing system for the production, operation, purchase, transportation, and import and export of precursor chemicals. The enterprise that purchases any precursor chemicals in Category II and III shall report the variety and quantity in demand to the local competent public security authority for filing in advance.

In accordance with the provisions of the Regulations on the Administration of Public Security for Explosive Precursor Chemicals issued by the Ministry of Public Security on July 6, 2019 and implemented on August 10, 2019, entities shall, within five days after selling or purchasing explosive hazardous chemicals, report the variety, quantity, and flow direction of the explosive hazardous chemicals sold or purchased through the explosive hazardous chemical information system to the local county-level public security authority for filing.

6. Hazardous Waste

In accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, promulgated by the Standing Committee of the National People's Congress on October 30, 1995, last amended on April 29, 2020, and implemented on September 1, 2020, any entity that produces hazardous waste must store, utilize, and dispose of such waste under the relevant state regulations and environmental protection standards, and shall not dump or stack such waste without authorization. Those engaged in the business activities of collection, storage, utilization, and disposal of hazardous waste shall apply for a license in accordance with the relevant state regulations. Detailed measures for the administration of licenses shall be formulated by the State Council.

In accordance with the Administrative Measures for the Operation License of Hazardous Waste issued by the State Council on May 30, 2004, and effective as of February 6, 2016, entities engaged in the collection, storage, and disposal of hazardous waste within China shall obtain an operating license for hazardous waste.

7. Safe production

According to the Production Safety Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress on June 29, 2002, last amended on June 10, 2021, and implemented as of September 1, 2021, production and business operation entities shall have the conditions for production safety as prescribed by this law and other relevant laws, administrative regulations, and national or industrial standards. Those who do not have safe production conditions are not allowed to engage in production and business activities.

According to the Measures for the Supervision and Management of the 'Three Simultaneities' of Safety Facilities for Construction Projects issued by the State Administration of Work Safety (revoked in March 2018, with its functions taken over by the Ministry of Emergency Management) on December 14, 2010, revised on April 2, 2015, and effective since May 1, 2015, safety facilities for construction projects must be designed, constructed, and put into production and use at the same time as the main project. For non-coal mining construction projects, production, and storage of hazardous chemicals, and other projects for which it is clearly stipulated that a safety pre-evaluation shall be conducted and reported for review, the production and business operation entity shall comprehensively analyze the safety production conditions and facilities, prepare a written report for future reference, and entrust a design entity with the corresponding qualifications to simultaneously conduct the design, prepare the safety facility design, organize the review by the production and business operation entity, and prepare a written report for future reference. Before the project is completed and put into production or use, they shall organize the completion acceptance check of the safety facilities, and prepare a written report for future reference.

LAWS AND REGULATIONS IN RELATION TO PRODUCT LIABILITY AND ADVERTISING

1. Product liability

According to the Product Quality Law of the People's Republic of China, which was promulgated by the Standing Committee of the National People's Congress on February 22, 1993, and last amended and implemented on December 29, 2018, if a product sold has one of the following conditions, the seller shall be responsible for repair, replacement or refund. If the consumer suffers losses due to the purchase of the product, the seller shall compensate for the losses: (1) the product does not have the essential properties that it should have without prior clear indication; (2) the product does not meet the quality stated on the product or its packaging; or (3) the product does not match the quality indicated by the product description or physical sample.

According to the Civil Code of the People's Republic of China (the "**Civil Code**") promulgated by the National People's Congress on May 28, 2020 and effective since January 1, 2021, if a patient suffers damage due to deficiencies in a pharmaceutical product, the patient may seek compensation from the Holder of Marketing Authorization for the pharmaceutical product or from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorisation holder.

The Law of the People's Republic of China on the Protection of Consumer Rights and Interests, promulgated by the National People's Congress on October 31, 1993, last amended on October 25, 2013, and effective since March 15, 2014, protects the rights and interests of consumers when purchasing products and receiving services. If the goods or services provided by the operator do not meet the required quality, the consumer may require the operator to fulfill its obligations such as replacement or repair.

2. Advertising

According to the Advertising Law of the People's Republic of China (the "**Advertising Law**"), promulgated by the Standing Committee of the National People's Congress on October 27, 1994, and last amended and effective on April 29, 2021, advertisements shall not contain false content and shall not deceive or mislead consumers. Advertisements for medicines and medical devices may be released through radio, film, television, newspapers, periodicals, or other means only after being reviewed and approved by the relevant authorities according to the laws. The Advertising Law further stipulates that advertisements for medical treatment, pharmaceuticals or medical devices may not contain the following: (1) An assertion or guarantee of efficacy or safety; (2) Indication of the cure rate or effectiveness ratio; (3) Comparison of the efficacy and safety with other drugs and medical devices or other medical institutions; (4) Use of advertising spokespeople to make recommendations or testimonials; or (5) Other contents prohibited by laws and administrative regulations.

According to the Administrative Measures for Medical Advertisements jointly issued by the State Administration for Industry and Commerce (abolished during the State Council institutional reform in 2018, with its functions assumed by the State Administration for Market Regulation) and the Ministry of Health on November 10, 2006, which took effect on January 1, 2007, medical advertisements must be reviewed by the relevant health authorities and a "Medical Advertisement Review Certificate" must be obtained before publication. The validity period of the "Medical Advertisement Review Certificate" is one year, and it can be renewed through application.

According to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food, and Formula Food for Special Medical Purposes promulgated by the State Administration of Market Regulation on December 24, 2019, which came into effect on March 1, 2020, medical device manufacturers must obtain approval from the provincial branch of the NMPA before publishing and disseminating medical device advertisements. In addition, the content of medical device advertisements must comply with certain guidelines approved by the NMPA or its local provincial branches.

LAWS AND REGULATIONS RELATED TO LABOR AND EMPLOYMENT

According to the Labor Law of the People's Republic of China, which was promulgated by the Standing Committee of the National People's Congress on January 1, 1995 and amended on December 29, 2018, and the Labor Contract Law of the People's Republic of China, which was promulgated on January 1, 2008 and amended on December 28, 2012, an employer and employee who have established a labor relationship must sign a labor contract. The labor contract must be in writing, and the wages paid must not be lower than the local minimum wage standard. Employers shall establish and improve labor rules and regulations according to the laws to ensure that workers can enjoy labor rights and perform labor obligations. Employers are required to truthfully inform prospective employees of the job description, working conditions, working location, occupational hazards, status of safe production, remuneration, and other conditions that employees wish to know. The employer and the employee shall fulfill their respective obligations in accordance with the labor contract.

According to the Social Insurance Law of the People's Republic of China, which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010, and amended and implemented on December 29, 2018, and the Regulations on the Administration of Housing Provident Funds, which was promulgated by the State Council on April 3, 1999, and amended on March 24, 2019, employers must pay a certain amount of social insurance funds (including basic pension insurance funds, unemployment insurance funds, basic medical insurance funds, work injury insurance funds, and maternity insurance funds) and housing provident funds on behalf of their employees. If an employer fails to pay social insurance premiums in full on time, the social insurance premium collection agency may order that they be paid or made up for within a time limit, and a late payment fee of 0.5‰ per day will be charged from the day the payment is overdue. If payment is still not made after it has become past due, the relevant administrative department may impose a fine of between one and three times the amount outstanding. If an employer fails to pay or underpays the housing provident fund contributions past due, the housing provident fund management center shall order for payment within a time limit; if payment is still not made past the time limit, an application can be made to the people's court for enforcement.

REGULATIONS RELATING TO FOREIGN EXCHANGES AND OUTBOUND INVESTMENTS

1. Foreign exchange control

The Regulations of the People's Republic of China on Foreign Exchange Administration (the "**Foreign Exchange Administration Regulations**"), promulgated by the State Council on January 29, 1996 and amended and implemented on August 5, 2008, are the primary foreign exchange regulations applicable to the foreign exchange receipts and payments and foreign exchange activities of domestic institutions and individuals in China, as well as the foreign exchange receipts and payments and foreign exchange activities of foreign institutions and individuals in China. According to the Foreign Exchange Administration Regulations, the State shall not restrict the payment in and transfer of foreign exchange for current international transactions, but foreign exchange transactions in capital accounts are still subject to restrictions and require approval or registration by the State Administration of Foreign Exchange of the People's Republic of China (the "**SAFE**") or its local branches and other relevant Chinese governmental authorities.

In 2019, the SAFE issued the Notice on Further Facilitating Cross-border Trade and Investment, which canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. If a non-investing foreign-invested enterprise uses the foreign exchange from its capital to make an onshore equity investment, the investee entity shall go through the required registration procedures for receiving onshore reinvestment and open a "capital account – account for settled foreign exchange to be paid" to receive the corresponding funds.

On April 10, 2020, the SAFE issued the Notice on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business, promoting the reform to facilitate the receipts and payments of proceeds under the capital accounts nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on the use of the proceeds under the capital accounts, eligible enterprises are allowed to use proceeds from capital items such as capital funds, foreign debt, and overseas listing for domestic payments without the need to provide supporting documents to prove authenticity to bankers for each transaction in advance.

2. Dividends Distribution

In January 2017, the SAFE issued the Notice on Further Promoting Foreign Exchange Administration Reform and Improving True Compliance Review, which introduced capital control measures on the remittance of profits from domestic institutions to foreign institutions, including: (1) banks shall review the resolutions of the board of directors on profit allocation, original tax filing forms, and audited financial statements in accordance with the principle of true transactions; and (2) domestic institutions shall make up for the losses of the previous year before remitting the profits.

3. Outbound investment

Pursuant to the Measures for the Administration of Outbound Investment issued by the Ministry of Commerce on March 16, 2009, modified on September 6, 2014, and implemented on October 6, 2014, the Ministry of Commerce and the provincial competent authorities of commerce shall subject the outbound investments of enterprises to filing or approval management, depending on the actual circumstances of such investments. Outbound investments of enterprises involving sensitive country or region, or sensitive industry shall be subject to approval. Outbound investment of enterprises in other circumstances is subject to record-filing management.

According to the Measures for the Administration of Outbound Investment, after an enterprise's outbound investment has been filed or approved, if there is a change to the outbound investment matters specified in the original certificate, the enterprise shall go through the change procedures with the Ministry of Commerce or the provincial-level commerce department in charge of the original filing or approval. If an enterprise terminates an outbound investment that has been filed or approved, it shall, after going through procedures such as deregistration in accordance with the law of the investment destination, report to the Ministry of Commerce or the provincial-level commerce department in charge of the original filing or approval. The Ministry of Commerce or the provincial-level commerce department in charge of the original filing or approval will issue a confirmation letter of cancellation based on the report.

Pursuant to the Administrative Measures for the Outbound Investments of Enterprises issued by the NDRC on December 26, 2017 and effective from March 1, 2018, PRC enterprises (the "**Investor**") intending to make outbound investments shall go through the formalities, such as approval or filing, for the outbound investment project (the "**Project**"), report relevant information, and cooperate in the supervisory inspections. The scope subject to approval management includes sensitive projects carried out directly by the Investor or through its controlled foreign enterprises; the scope subject to filing management includes non-sensitive projects carried out directly by the Investor, which involve the direct contribution of assets, rights and interests, or provision of financing or guarantee by the Investor. The Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) issued by the NDRC on January 31, 2018 and effective from March 1, 2018 lists in detail the sensitive sectors.

According to the Administrative Measures for the Outbound Investments of Enterprises, for the approved or filed projects, in the event of any of the following circumstances, the investor shall, prior to the occurrence of the relevant circumstances, apply to the authority that issued the approval document or filing notice for the project for approval of the change: (1) An increase or decrease in the number of investors; (2) significant changes in the location of investment; (3) significant changes in the main content and scale; (4) Where the change in the Chinese investment amount reaches or exceeds 20% of the originally approved or recorded amount, or where the change in the Chinese investment amount is US$100 million or more; (5) Other circumstances requiring major adjustments to the relevant content of the project approval document or filing notice.

According to the Foreign Exchange Administration Regulations and the Provisions on the Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions issued by the SAFE on July 13, 2009 and implemented as of August 1, 2009, domestic institutions making direct investments overseas shall register in accordance with the regulations of the foreign exchange administration department under the State Council. In the event of a registered foreign enterprise increasing or reducing its capital, transferring or replacing its shares, etc., the domestic institution shall go through the formalities for changing the foreign exchange registration of direct investment abroad.

LAWS AND REGULATIONS IN RELATION TO TAXATION IN THE PRC

1. Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China promulgated by the State Council on March 16, 2007, last amended on December 29, 2018, and effective on the same day, and the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China promulgated by the State Council on December 6, 2007, last amended on December 6, 2024, and implemented from January 20, 2025, enterprises (including foreign-invested enterprises) in China are subject to a uniform enterprise income tax rate of 25%. However, high-tech enterprises that require key support from the state are subject to a reduced enterprise income tax rate of 15%, and eligible small and micro enterprises are subject to a reduced enterprise income tax rate of 20%.

2. VAT

According to the Provisional Regulations of the People's Republic of China on Value-added Tax, which were last revised on November 19, 2017 and implemented on the same day, and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-added Tax, which were last revised on October 28, 2011 and effective on November 1, 2011, all taxpayers who sell goods or provide processing, repair and assembly services, sales services, intangible assets, real estate, and imported goods within the territory of China are required to pay value-added tax. Unless otherwise specified, the tax rate is 17% for taxpayers selling goods, providing services, leasing tangible movable property or importing goods. The tax rate is 11% for the sales of transportation, postal, basic telecommunications, construction, real estate leasing services, sale of real estate, transfer of land use rights, or sale or import of the following goods. Exports of goods and services are exempt from VAT.

According to the Notice on Adjusting VAT Rates promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, and implemented on May 1, 2018, for taxpayers engaging in VAT taxable sales or import of goods, the previously applicable tax rates of 17% and 11% are adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the VAT Reform that was promulgated by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for taxpayers engaging in VAT taxable sales or import of goods, the VAT rates are adjusted to 13% and 9%, respectively.

LAWS AND REGULATIONS ON INFORMATION SECURITY AND PRIVACY PROTECTION

1. Network security

According to the Cybersecurity Law of the People's Republic of China (the "**Cybersecurity Law**") promulgated by the Standing Committee of the National People's Congress on November 7, 2016 and effective on June 1, 2017, network operators shall abide by the principles of legality, legitimacy and necessity when collecting and using personal information. They shall disclose the rules for collection and use, specify the purpose, methods and scope of collection and use of information, and obtain consent from the persons whose personal information is collected. Network operators shall not disclose, tamper with or damage the personal information they collect, nor provide personal information to others without the consent of the persons whose personal information is collected, except where the information has been processed so that no individual can be identified and it cannot be restored after processing. In addition, network operators shall not collect personal information that is unrelated to the services they provide, and shall not collect or use personal information in violation of the provisions of laws and administrative regulations or the agreements between the parties.

On September 12, 2022, the Cyberspace Administration of China (the "**CAC**") issued the "Decision on Amending the Cybersecurity Law of the People's Republic of China (Draft for Comment)" to further refine and strengthen the legal liability for violations of the existing provisions of the Cybersecurity Law of the People's Republic of China.

2. Data security

According to the Data Security Law of the People's Republic of China (the "**Data Security Law**"), promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and effective as of September 1, 2021, the state has established a tiered protection system for data classification. Data processing activities shall be carried out in accordance with the provisions of laws and regulations. A comprehensive data security management system shall be established, data security education and training shall be organized, and corresponding technical and other necessary measures shall be taken to ensure data security. In addition, the Data Security Law provides for national security review procedures for the data processing activities that affect or may affect national security, and imposes export controls on certain data and information.

On December 28, 2021, the CAC and other twelve regulatory authorities jointly amended and promulgated the Measures for Cybersecurity Review, which became effective on February 15, 2022. The Measures for Cybersecurity Review stipulate that the procurement of network products and services by operators of critical information infrastructure, and the conducting of data processing activities by network platform operators that affect or may affect national security, shall be subject to a cybersecurity review; a network platform operator that possesses the personal information of more than one million users must apply to the Cybersecurity Review Office for a cybersecurity review when seeking to list overseas. If the member units of the cybersecurity review working mechanism believe that network products, services and data processing activities affect or may affect national security, they shall be reviewed by the Cybersecurity Review Office after being reported to the Central Cyberspace Affairs Commission for approval in accordance with the procedures.

On September 30, 2024, the State Council promulgated the Administration Regulations on Cyber Data Security, which came into effect on January 1, 2025. The Administration Regulations on Cyber Data Security reiterate and refine the general provisions for cyber data processing activities, as well as the regulations on personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of network platform service providers.

3. Personal information security

Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others. The Personal Information Protection Law of the People's Republic of China, released by the Standing Committee of the National People's Congress on August 20, 2021 and effective from November 1, 2021, further emphasizes the responsibilities and obligations of personal information processors to protect personal information and provides stricter protection measures for processing sensitive personal information.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Outbound Data Transfers, which became effective on September 1, 2022. It is applicable to the security assessment relating to the outbound transfers of personal information and important data collected and generated inside the PRC under certain circumstances. According to the Measures for the Security Assessment of Outbound Data Transfers, in the following circumstances, the data processor providing data for outbound transfer shall apply to the CAC for a security assessment of outbound data transfer: (1) Where the data processor provides important data abroad; (2) Where a critical information infrastructure operator or a data processor that processes the personal information of more than one million people provides personal information overseas; (3) where the data processor has already provided overseas the personal information of 100,000 people or sensitive personal information of 10,000 people in total since January 1 of the previous year; and (4) other circumstances under which reporting of outbound data transfer security assessment is required as prescribed by the CAC.

LAWS AND REGULATIONS ON COMMERCIAL BRIBERY AND ANTI-UNFAIR COMPETITION

1. Commercial bribery in the pharmaceutical industry

According to the Provisions on the Establishment of Commercial Bribery Records in the Purchase and Sale of Medicines, issued by the National Health and Family Planning Commission (which was abolished in March 2018, with its functions taken over by the National Health Commission) in January 2007 and revised in December 2013, if a pharmaceutical, medical device or medical consumables manufacturer or trading company, or its agent or personal representative, offers money, property or other benefits to the staff of a healthcare institution that purchases and uses its drugs, medical device or medical consumables, and any of the following circumstances apply, it shall be included in the negative record of commercial bribery: (1) Where the people's court determines that his act constitutes a crime of bribery, but the circumstances of the crime are minor and it is not necessary to impose criminal punishment, and the people's court exempts him from criminal punishment in accordance with the criminal law; (2) Where the crime of bribery is minor in nature and the people's procuratorate decides not to prosecute; (3) Where The case is investigated by the discipline inspection and supervision department as a bribery case and handled according to the laws; (4) Where administrative punishment is imposed by the finance, industry and commerce administration, food and drug supervision departments, etc., due to the act of bribery; (5) Other circumstances as stipulated by laws, regulations and rules.

According to the Provisions, for a pharmaceutical production and operation enterprise and its agent included in the negative record of commercial bribery for one time, the public medical institutions or medical and health institutions financed by government funds in the local provincial region shall not purchase its drugs, medical devices, and medical consumables within two years after the publication of the negative record. In other provincial regions, the public medical institutions or medical and health institutions financed by government funds shall conduct score reduction for the enterprise's products in bidding and procurement evaluation within two years. For those included in the negative record of commercial bribery twice or more within five years, all public medical institutions and medical and health institutions financed by government funds nationwide shall not purchase their drugs, medical devices, and medical consumables within two years.

According to the Guiding Opinions on Establishing a Credit Evaluation System for Pharmaceutical Prices and Tendering and Procurement issued by the National Healthcare Security Administration in August 2020, which took effect on the same day, the National Healthcare Security Administration has established a list of pharmaceutical pricing and tendering and procurement credit evaluation system violations, which is subject to dynamic adjustment. The violations included in the list mainly include kickbacks or other improper benefits in pharmaceutical purchases and sales, tax-related violations, monopolistic practices, unfair pricing, disruptions to centralized procurement, and malicious violations of contractual agreements and other acts that violate good faith. The provincial centralized purchasing agency shall implement credit ratings in accordance with the requirements of reliable sources, clear conditions, standardized procedures, and strict operations. Pharmaceutical enterprises' acts of dishonesty in the local bidding and purchasing market are assessed as minor, moderate, serious, or particularly serious, with quarterly dynamic updates, based on factors such as the nature, circumstances, time limit, and impact of the dishonest act. The provincial centralized purchasing agency shall, based on the factors such as the nature, circumstances, time limit, and impact of the dishonest act, assess the breach of trust of the pharmaceutical enterprises into four grades: minor, moderate, serious, or particularly serious. In addition, provincial centralized purchasing agencies should, based on the credit rating of pharmaceutical companies, take measures such as warning, restrictions on market access, and the disclosure of information on dishonest behavior.

2. Anti-Unfair Competition

The Anti-Unfair Competition Law comprehensively regulates competition among business operators. According to the Anti-Unfair Competition Law, business operators shall follow the principles of voluntariness, equality, fairness, and honesty in their production operations, and comply with laws and business ethics. An act by an operator in the course of production and business activities that violates the provisions of the Anti-Unfair Competition Law, disrupts the market competition order, and harms the legitimate rights and interests of other operators or consumers constitutes unfair competition. Where the legitimate rights and interests of an operator are damaged by acts of unfair competition, the operator may bring proceedings in the people's courts. The amount of compensation for an operator who has suffered loss as a result of unfair competition practices shall be determined according to the actual losses suffered by the operator as a result of the infringement; if it is difficult to calculate the actual losses, it shall be determined according to the gains obtained by the infringer as a result of the infringement. If the operator maliciously commits an act of infringing a trade secret and the circumstances are serious, the amount of compensation may be determined at a level of more than one time but less than five times the amount determined using the above-mentioned methods. The amount of compensation should also include the reasonable expenses incurred by the operator to stop the infringement.

On November 22, 2022, the State Administration for Market Regulation issued the Anti-Unfair Competition Law of the People's Republic of China (Revised Draft for Solicitation of Opinions), which adjusts the identification of unfair competition and legal liability, improves the rules against unfair competition in the digital economy, and makes detailed provisions against unfair competition in the acquisition and use of data, unfair competition implemented using algorithms, and new types of network unfair competition that hinder openness and sharing. It also supplements and improves the existing

manifestations of unfair competition in light of outstanding issues in regulatory enforcement practices. In addition, unfair competition practices such as acts that damage arm's length transactions and malicious transactions have been added to fill gaps in the law.

REGULATIONS RELATING TO OVERSEAS LISTING AND FULL CIRCULATION

1. CSRC record-filing requirements for overseas issuance and listing

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") promulgated the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies" and five supporting Guidelines (collectively, the "**Overseas Listing Trial Measures**"), which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the current regulatory system for the overseas issuance and listing of securities by Chinese enterprises, and adopted a filing-based regulatory system to regulate the direct and indirect overseas issuance and listing of securities by Chinese enterprises.

According to the Overseas Listing Trial Measures, domestic enterprises directly issuing and listing securities overseas shall file with the CSRC in accordance with the Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately, and completely explain shareholder information and other circumstances. Domestic enterprises that submit an application for initial public offering and listing to overseas securities regulatory authorities shall file with the CSRC within 3 working days after submitting the application documents. The Measures also provide that where a significant event such as a change in control, voluntary termination of listing or compulsory termination of listing occurs after the issuer's overseas issuance and listing, the issuer shall report the specific circumstances to the CSRC. If the issuer fails to complete the filing or conceals any material facts or tampers with any material contents in its filing materials, it will be subject to administrative penalties such as being ordered to make corrections, given a warning and fined. Its controlling shareholders, de facto controllers, directly responsible officers and others directly responsible will also be subject to administrative penalties.

2. Regulations relating to Full Circulation

"Full circulation" refers to the listing and circulation of unlisted domestic shares of H-share companies (including unlisted domestic shares held by domestic shareholders prior to the overseas listing, unlisted domestic shares issued in China after the overseas listing and unlisted shares held by foreign shareholders) on The Stock Exchange of Hong Kong Limited.

On November 14, 2019, the CSRC issued the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H Share Companies (CSRC Announcement [2019] No. 22), and on August 10, 2023, it made the latest amendments to it and issued the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-Share Companies (Revision 2023) (the "**Full Circulation Guidelines**").

According to the Full Circulation Guidelines, subject to relevant laws and regulations, state-owned assets management, foreign investment and industry regulation policies, shareholders of domestic unlisted shares may independently negotiate to determine the number and proportion of shares applied for circulation, and entrust H-share companies to file with the CSRC. Domestic joint stock companies that have not yet been listed may file a record with the CSRC for "Full Circulation" upon initial public offering and listing overseas. Shareholders of domestic unlisted Shares shall, in accordance with the relevant business rules of China Securities Depository and Clearing Corporation Limited (the "**CSDC**"), handle the re-registration of Shares, and in accordance with the relevant provisions of the Hong Kong market, handle the registration of Shares, the **[REDACTED]** of Shares, and other procedures, and shall make disclosure of information in accordance with the laws and in a compliant manner. After the domestic unlisted Shares are **[REDACTED]** and circulated on the Hong Kong Stock Exchange, they may not be transferred back to the mainland. Shareholders of domestic unlisted shares may reduce and increase their holdings of the Company's shares traded on the Hong Kong Stock Exchange in accordance with the relevant business rules. The H Share Company shall submit a report on the relevant circumstances to the CSRC within 15 days of the completion of the re-registration of the shares involved in the application with CSDC.

On December 31, 2019, the CSDC and Shenzhen Stock Exchange jointly issued the Implementation Measures for H-share "Full Circulation" Business, which applied to the cross-border re-registration, custody, maintenance of holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominee holders and other services in relation to H-share "full circulation" business.

On February 7, 2020, the China Securities Depository and Clearing (Hong Kong) Company Limited (the "**CSDC Hong Kong**") issued the Guide of China Securities Depository and Clearing (Hong Kong) Company Limited to the Program for Full Circulation of H-shares, which specified the custody, depository, nominee services, settlement arrangement and other relevant business by the CSDC Hong Kong. The guide was modified and updated on September 20, 2024, with the updated version coming into effect on September 23, 2024.

On February 7, 2020, the CSDC released the Guide to the Program for Full Circulation of H-shares, detailing business preparations, account arrangements, cross-border re-registrations, overseas centralized custody, and other services. On September 20, 2024, China Securities Depository and Clearing Corporation Shenzhen Branch released the H Shares "Full Circulation" Business Guide of China Securities Depository and Clearing Corporation Limited Shenzhen Branch, which superseded the H Shares "Full Circulation" Business Guide issued by the CSDC.

3. CSRC regulations on confidentiality and file management for overseas issuance and listing

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration of China jointly issued the modified Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the "**Provisions on Archives Administration**"), which came into effect on March 31, 2023. The Provisions on Archives Administration shall apply to joint stock companies incorporated in China with direct overseas issuance and listing, and domestic operating entities of subjects with indirect overseas issuance and listing (collectively referred to as "**the domestic enterprises**").

According to the Provisions on Archives Administration, domestic enterprises shall establish and implement a sound confidentiality and archive management system. If a domestic enterprise decides to disclose documents or materials involving state secrets, state organs' work secrets, or other documents and materials that will adversely affect national security or public interests if leaked, it shall apply for approval to the competent department with approval authority according to the laws, and report to the confidentiality administrative department at the same level for the record. After approval by the governmental authorities, the domestic enterprise as the party making the disclosure of information and the securities company and securities service institution as the party receiving the information shall sign a confidentiality agreement, which shall clearly specify the confidentiality obligations and liabilities assumed by the relevant securities companies, securities service institutions, etc. Domestic companies must also provide a written statement outlining their compliance with relevant regulatory requirements and procedures when providing the above information they retain to securities companies and securities services. According to the Provisions on Archives Administration, the provision of accounting archives or copies of accounting archives to relevant securities companies, securities services, overseas regulatory authorities and other entities and individuals shall be subject to the relevant national regulations and procedures.

OVERVIEW

We are a front-runner and leader in the radiopharmaceutical market in China dedicated to the development and commercialization of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class.

Our Company was established in January 2005 by Mr. Xu, our executive Director, chairperson of our Board and general manager. For further information about Mr. Xu, please refer to "Directors and Senior Management – Board of Directors – Executive Directors" in this document. For details of corporate development of our Company, please refer to paragraphs headed "Subsequent Capital Changes and Equity Transfers of Our Company" in this section. We have also attracted Pre-**[REDACTED]** Investors since the establishment of our Company. For details of our historical financing, please refer to the paragraphs headed "Pre-**[REDACTED]** Investments" in this section.

BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain development milestones of our Group:

Year	Milestones
2005	Our Company was established
2014	Started the research and development of radiopharmaceutical
2016	We listed on the NEEQ
2018	We voluntarily delisted from the NEEQ
2019	We obtained clinical trial approval of XTR005 (歐韋寧®), the first radiopharmaceutical clinical trial approval we obtained
	We completed the Division and focusing on the radiopharmaceutical market
2020	We obtained clinical trial approvals for XTR003 and XTR004
2021	Shanghai Sinotau was established
	We obtained clinical trial approval for XTR008

Year	Milestones
2023	We completed Jun-2023 Capital Increase and raised approximately RMB1,100 million
	We received regulatory approval from NMPA for XTR005 (歐韋寧®)
	Glotope commenced radiopharmaceutical CRO/CDMO business
	We obtained clinical trial approval for XTR006
2024	We were awarded the national "Specialized, Refined, and New 'Little Giant'" (國家級專精特新"小巨人"企業) enterprise title
	Jiangsu Sinotau Pharmaceutical obtained the Radiopharmaceutical Business License (放射性藥品經營許可證)
	We completed the Nov-2024 Capital Increase and the Dec-2024 Capital Increase and raised approximately RMB600 million in aggregate
2025	We commenced the commercialization and launched XTR005 (歐韋寧®) in hospitals across China, achieving GMP-standardized production and commercialization

CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR GROUP

Establishment of Our Company

Our Company was established in the PRC on January 24, 2005 as a limited liability company with its name as Beijing Sinotau International Technology Co., Ltd. (北京先通國際技術有限公司). Upon establishment, the registered capital of our Company was RMB1 million, which was owned by Mr. Xu, BAI Ge (白戈) ("**Bai Ge**"), WEN Yanqiu (文豔秋) ("**Wen Yanqiu**") and BAI Yuqin (白玉琴) ("**Bai Yuqin**"), save for Mr. Xu, each of which is an Independent Third Party, as to 35%, 30%, 20% and 15%, representing RMB0.35 million, RMB0.3 million, RMB0.2 million and RMB0.15 million of the registered capital of our Company, respectively. Upon establishment, our Company temporarily engaged in pharmaceutical raw materials import and export business, which was ceased shortly after, rendering our Company an investment vehicle before it started the research and development of radiopharmaceutical in 2014.

Subsequent Capital Changes and Equity Transfers of Our Company

1. Equity Transfers During the Early History of our Company

In the early history of our Company before commencing the research and development of radiopharmaceutical in 2014, we underwent certain equity transfers, upon completion of which, as of November 30, 2010, the registered capital of our Company was RMB1 million, which was owned as to Mr. Xu and Qi Hui, the spouse of Mr. Xu, as to 99% and 1%, respectively.

2. Capital Increase in March 2015

Pursuant to the Shareholders' resolutions dated March 6, 2015, the registered capital of our Company increased from RMB1 million to RMB10 million, and each of Mr. Xu, Xue Fei, Chu Wei, ZHANG Yingjie (張英傑) ("**Zhang Yingjie**"), Liu Shuang, LIU Rui (劉瑞) ("**Liu Rui**") and MAO Ruijuan (毛瑞娟) ("**Mao Ruijuan**") subscribed for an increased registered capital of RMB5.963 million, RMB0.95 million, RMB0.70 million, RMB0.60 million, RMB0.55 million, RMB0.15 million and RMB87,000 at par value. The consideration was fully settled on April 30, 2015. The name of our Company was changed to Beijing Sinotau International Pharmaceutical technology Co., Ltd. (北京先通國際醫藥科技有限公司).

Upon the completion of above capital increase, our Company was owned as to approximately 69.53%, 9.50%, 7.00%, 6.00%, 5.50%, 1.50%, 0.87% and 0.1% by of Mr. Xu, Xue Fei, Chu Wei, Zhang Yingjie, Liu Shuang, Liu Rui, Mao Ruijuan and Qi Hui, respectively, with the total registered capital of RMB10 million.

3. Capital Increase in March 2016

Pursuant to the Shareholders' resolutions dated December 22, 2015, the registered capital of our Company increased from RMB10 million to RMB20.336 million, and each of the subscribers below subscribed for the increased registered capital at the consideration of RMB1.25 per registered capital. The consideration was fully settled on December 31, 2015 (the "**Mar-2016 Capital Increase**").

The details of the subscription and shareholding of our Company upon the completion of above capital increase were set out as below:

Name of Shareholders	Registered capital subscribed	Aggregated registered capital subscribed	Aggregated approximate ownership percentage upon completion of capital increase
	(RMB)	*(RMB)*	
Mr. Xu	4,334,000	11,287,000	55.50%
Xue Fei	988,000	1,938,000	9.53%
Chu Wei	728,000	1,428,000	7.02%
Ms. Tang	1,368,000	1,368,000	6.73%
Zhang Yingjie	624,000	1,224,000	6.02%
Liu Shuang	572,000	1,122,000	5.52%
Qi Hui	384,300	394,300	1.94%
Liu Rui	156,000	306,000	1.50%
MU Tianzhi (穆天之) ("**Mu Tianzhi**")	304,000	304,000	1.49%
ZOU Xianghong (鄒湘紅) ("**Zou Xianghong**")	304,000	304,000	1.49%
ZHANG Di'ou (張迪歐) ("**Zhang Di'ou**")	243,200	243,200	1.20%
WANG Peng (王鵬) ("**Wang Peng**")	240,000	240,000	1.18%
Mao Ruijuan	90,500	177,500	0.87%
Total	**10,336,000**	**20,336,000**	**100%**

Note: Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

4. Conversion into a Joint Stock Limited Company in March 2016

Pursuant to the Shareholders' resolutions dated March 24, 2016 and the promoters' agreement dated the same day, the then existing Shareholders of our Company agreed to convert our Company into a joint stock limited liability company (the "**Stock Conversion**") with the registered capital of RMB20,336,000. Pursuant to the Shareholders' resolutions and the promoters' agreement, the net asset value of our Company as of December 31, 2015 was RMB21,148,572.10 audited by an independent auditor, of which (i) RMB20,336,000 has been converted into 20,336,000 Shares with a par value of RMB1.00 per Share, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company before the Stock Conversion; and (ii) the remaining amounts of RMB812,572.10 was converted to capital reserve of our Company. The Stock Conversion was completed on March 28, 2016. Upon completion of the Stock Conversion, our Company was converted into a joint stock company with limited liability and renamed as Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技股份有限公司).

5. Capital Increase in April 2016

Pursuant to the Shareholders' resolutions dated April 15, 2016, the registered capital of our Company increased from RMB20.336 million to RMB31 million, and each of the subscribers below subscribed for the increased registered capital at RMB1.25 per Share. The consideration was fully settled on April 19, 2016 (the "**Apr-2016 Capital Increase**").

The details of the subscription and shareholding of our Company upon the completion of above capital increase were set out as below:

Name of Shareholders	No. of Shares subscribed	Aggregated no. of Shares subscribed	Aggregated approximate ownership percentage upon completion of capital increase
Mr. Xu	7,313,000	18,600,000	60.00%
Xue Fei	1,007,000	2,945,000	9.50%
Chu Wei	742,000	2,170,000	7.00%
Zhang Yingjie	636,000	1,860,000	6.00%
Liu Shuang	583,000	1,705,000	5.50%
Ms. Tang	27,000	1,395,000	4.50%
Liu Rui	159,000	465,000	1.50%
Qi Hui	18,000	412,300	1.33%
Mu Tianzhi	6,000	310,000	1.00%
Zou Xianghong	6,000	310,000	1.00%
Wang Peng	70,000	310,000	1.00%
Mao Ruijuan	92,200	269,700	0.87%
Zhang Di'ou	4,800	248,000	0.80%
Total	**10,664,000**	**31,000,000**	**100%**

Note: Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

6. Capital Increase During the NEEQ Listing Period

On August 19, 2016, our Shares became quoted and listed on the NEEQ under the stock code of 838851. During our listing on the NEEQ, our Company has undertaken a series of capital increases as detailed below:

Pursuant to the Shareholders' resolutions dated October 14, 2016, our Company issued 448,300 Shares, representing approximately 12.63% of our total number of issued Shares as enlarged upon completion of the share issuance, at a subscription price of RMB29.02 per Share. The 448,300 Shares were subscribed by 39 investors which entered into series of subscription agreements with our Company dated September 26, 2016, at an aggregate consideration of RMB130,009,666, which was fully settled on October 22, 2016, among which (i) there were 37 individual investors and two corporate investors, i.e. Shenzhen Mingde Weixin No. 9 Investment Partnership (Limited Partnership) (深圳市明德惟馨玖號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 9**") and Shenzhen Wuming Boji Medical Healthcare Industry Investment Partnership (Limited Partnership) (深圳市物明博濟醫療健康產業投資合夥企業(有限合夥)) ("**Wuming Boji**"), which was ultimately controlled by Zhang Yingjie, our non-executive Director; (ii) 4,031,697 Shares in total were issued to six investors in swap of the debt owned by our Company; and (iii) Mr. Xu subscribed for 344,589 Shares, Chu Wei subscribed for 91,316 Shares, Qi Hui subscribed for 79,256 Shares and Wang Peng subscribed for 34,459 Shares, save for Mingde Weixin No. 9, Wuming Boji, Mr. Xu, Chu Wei, Qi Hui and Wang Peng, all the other investors were Independent Third Parties. Upon completion, our registered capital increased from RMB31 million to RMB35,479,997 (the "**Jan-2017 Capital Increase**").

Pursuant to the Shareholders' resolutions dated May 23, 2017, our Company issued 4,257,800 Shares, representing approximately 10.71% of our total number of issued Shares as enlarged upon completion of the share issuance, at a subscription price of RMB35.23 per Share. Suzhou Qiming Rongxin Equity Investment Partnership (Limited Partnership) (蘇州啟明融信股權投資合夥企業(有限合夥)) ("**Qiming Rongxin**"), Suzhou Industrial Zone Qiming Rongchuang Equity Investment Partnership (Limited Partnership) (蘇州工業園區啟明融創股權投資合夥企業(有限合夥)) ("**Qiming Rongchuang**") and Huaqing Bencao Nantong Equity Investment Center (Limited Partnership) (華清本草南通股權投資中心(有限合夥)) ("**Huaqing Bencao**") entered into series of subscription agreements and supplemental agreements dated May 5, 2017, July 10, 2017 and September 7, 2017 with our Company to subscribe 2,299,185 Shares, 539,315 Shares and 1,419,300 Shares, respectively. The 4,257,800 Shares were subscribed at an aggregate consideration of RMB150,002,294, which was fully settled on June 8, 2017 (the "**Dec-2017 Capital Increase**").

After reassessment of the industry development trend and our business development strategy, our Company determined to focus more on business expansion and technology research and development to quickly seize the market and expand our competitive advantage at the relevant stage, thus, we voluntarily delisted from the NEEQ on April 26, 2018.

Our Directors confirm that, to the best of their knowledge and in respect of our business: (a) during the period of listing on the NEEQ, (i) our Company had been in compliance in all material respects with the applicable PRC securities laws and regulations and rules; (ii) our Company had not been subject to any

disciplinary action by relevant PRC regulators; and (b) there were no matters in relation to our Company's prior listing on the NEEQ and delisting that need to be brought to the attention of the Stock Exchange and the investors. The Joint Sponsors concur the view of the Directors that there were no matters in relation to the Company's prior listing on the NEEQ and delisting that need to be brought to the attention of the Stock Exchange and the investors.

Immediately after the delisting from the NEEQ, our Company's shareholding was as follows:

Name of Shareholders	No. of Shares subscribed	Aggregated approximate ownership percentage immediately after the delisting from the NEEQ
Mr. Xu[(2)(3)]	18,458,819	46.45%
Xue Fei[(2)]	2,798,000	7.04%
Qiming Rongxin	2,299,185	5.79%
Chu Wei[(2)]	2,223,316	5.60%
Zhang Yingjie[(2)]	1,804,000	4.54%
Liu Shuang[(2)]	1,672,000	4.21%
Huaqing Bencao	1,419,300	3.57%
Ms. Tang	1,395,000	3.51%
Mingde Weixin No. 9	1,378,359	3.47%
Wuming Boji	1,033,769	2.60%
Li Jianxin (李建新) ("**LI Jianxin**")	689,179	1.73%
Qiming Rongchuang	539,315	1.36%
Qi Hui	491,556	1.24%
Liu Rui	465,000	1.17%
CHENG Haowen (程浩文) ("**Cheng Haowen**")	413,507	1.04%
Shenzhen Mingde Weixin No. 1 Investment Partnership (Limited Partnership) (深圳市明德惟馨壹號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 1**")[(2)]	375,000	0.94%
Wang Peng	344,459	0.87%
Shanghai Wanlong Investment Co., Ltd. (上海萬龍投資有限公司) ("**Wanlong Investment**")[(3)]	323,000	0.81%
Remaining Shareholders[(4)]	1,615,033	4.06%
Total	**39,737,797**	**100%**

Notes:

(1) Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

(2) Each of Mr. Xu, Xue Fei, Chu Wei, Liu Shuang and Zhang Yingjie transferred 180,000 Shares, 88,000 Shares, 18,000 Shares, 33,000 Shares and 56,000 Shares to Mingde Weixin No. 1 at the consideration of RMB31 per Share through the NEEQ system and such transfers were fully settled in 2017.

(3) Mr. Xu transferred 323,000 Shares to Wanlong Investment at the consideration of RMB31 per Share throught the NEEQ system and such transfer was fully settled in 2017.

(4) The remaining Shareholders comprised of 36 Shareholders, with their respective shareholding in the Company ranged from approximately 0.0043% to 0.78%, among which the largest Shareholder was ZOU Xianghong (鄒湘紅) and MU Tianzhi (穆天之), each of which held 310,000 Shares, representing approximately 0.78% of our then total number of issued.

7. Share Transfers in 2019

During the period between April 2019 and October 2019, our Company underwent several rounds of equity transfers among individual Shareholders.

In addition, on May 10, 2019, our then Shareholders resolved to adopted the employee incentive scheme, for which Beijing Sinotau Juli was established as one of our Employee Shareholding Platforms, and the following Shareholders transferred their Shares to Beijing Sinotau Juli for the implementation of the employee incentive scheme.

Name of transferor	No. of Shares transferred
Mr. Xu	1,075,160
Xue Fei	139,900
Chu Wei	106,400
Zhang Yingjie	90,200
Liu Shuang	83,600
Ms. Tang	41,365
Liu Rui	23,250
Qi Hui	20,615

8. Division and Capital Reduction in December 2019

Pursuant to the Shareholders' resolutions dated September 25, 2019, our Company was divided into two companies, i.e., Beijing Xiantongyuan Pharmaceutical Technology Co., Ltd. (北京先通源醫藥科技股份有限公司) ("**Xiantongyuan**") and our Company (the "**Division**") and our registered capital reduced to RMB21,724,654. Upon completion of the Division and capital reduction, our Company's shareholding was as follows:

Name of Shareholders	No. of Shares held	Aggregated approximate ownership percentage upon completion of Division and capital reduction
Mr. Xu	9,506,472	43.76%
Xue Fei	1,453,183	6.69%
Qiming Rongxin	1,256,964	5.79%
Chu Wei	1,157,318	5.33%
Zhang Yingjie	936,934	4.31%
Liu Shuang	868,378	4.00%
Beijing Sinotau Juli	864,054	3.98%
Huaqing Bencao	775,931	3.57%
Mingde Weixin No. 9	753,549	3.47%
Ms. Tang	740,032	3.41%
Wuming Boji	565,162	2.60%
Li Jianxin	376,774	1.73%
Qiming Rongchuang	294,844	1.36%
Qi Hui	257,463	1.19%
Liu Rui	241,505	1.11%
Cheng Haowen	226,064	1.04%
Remaining Shareholders[(2)]	1,450,027	6.67%
Total	**21,724,654**	**100%**

Notes:

(1) Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

(2) The remaining Shareholders comprised of 41 Shareholders, with their respective shareholding in the Company ranged from approximately 0.0043% to 0.94%, among which the largest Shareholder Mingde Weixin No. 1, which held 205,013 Shares, representing approximately 0.94% of our then total number of issued Shares.

9. Capital Increases in June 2020 and September 2020

Pursuant to the Shareholders' resolutions dated March 18, 2020, the registered capital of our Company increased from RMB21,724,654 to RMB24,558,302. The four subscribers, including Guoyao Zhongsheng (Shanghai) Biological Equity Investment Fund Partnership (Limited Partnership) (國藥中生(上海)生物股權投資基金合夥企業(有限合夥)) ("**Guoyao Zhongsheng**"), Shanghai Shengcheng Investment Management Partnership (Limited Partnership) (上海聖成投資管理合夥企業(有限合夥)) ("**Shengcheng Investment**"), Shenzhen Wuming Futian Healthcare Industry Investment partnership (Limited Partnership) (深圳市物明福田健康產業投資合夥企業(有限合夥)) ("**Wuming Futian**") and Beijing Hetang Life Science Innovation Fund (Limited Partnership) (北京荷塘生命科學原始創新基金(有限合夥)) ("**Hetang Innovation**"), subscribed for the increased share capital of 2,833,648 Shares at a total consideration of RMB150 million pursuant to the subscription agreement dated April 13, 2020. The consideration was fully settled on June 5, 2020 (the "**Jun-2020 Capital Increase**").

The respective subscription amount and consideration for each subscriber were as follows:

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increase
		(RMB)	
Wuming Futian	1,133,459	60,000,000.00	4.62%
Guoyao Zhongsheng	1,124,463	59,523,809.52	4.58%
Hetang Innovation	566,730	30,000,000.00	2.31%
Shengcheng Investment	8,996	476,190.48	0.04%
Total	**2,833,648**	**150,000,000**	**–**

Pursuant to the Shareholders' resolutions dated July 10, 2020, the registered capital of our Company increased from RMB24,558,302 to RMB27,014,132. The two subscribers, including Beijing Tongfu Innovation Industry Investment Fund Partnership (Limited Partnership) (北京同輻創新產業投資基金合夥企業(有限合夥)) ("**Tongfu Fund**") and Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership) (北京國科鼎智股權投資中心(有限合夥)) ("**Guoke Dingzhi**"), subscribed for the increased share capital of 2,455,830 Shares at a total consideration of RMB130 million pursuant to the subscription agreement dated July 22, 2020. The consideration was fully settled on September 11, 2020 (the "**Sep-2020 Capital Increase**").

The respective subscription amount and consideration for each subscriber were as follows:

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increase
		(RMB)	
Tongfu Fund	1,889,100	100,000,000	6.99%
Guoke Dingzhi	566,730	30,000,000	2.10%
Total	**2,455,830**	**130,000,000**	**–**

Upon the completion of such capital increases, the shareholding of our Company was as follows:

Name of Shareholders	No. of Shares held	Aggregated approximate ownership percentage upon completion of capital increases
Mr. Xu	9,506,472	35.19%
Tongfu Fund	1,889,100	6.99%
Xue Fei	1,453,183	5.38%
Qiming Rongxin	1,256,964	4.65%
Chu Wei	1,157,318	4.28%
Wuming Futian	1,133,459	4.20%
Guoyao Zhongsheng	1,124,463	4.16%
Zhang Yingjie	936,934	3.47%
Liu Shuang	868,378	3.21%
Beijing Sinotau Juli	864,054	3.20%
Huaqing Bencao	775,931	2.87%
Mingde Weixin No. 9	753,549	2.79%
Ms. Tang	740,032	2.74%
Hetang Innovation	566,730	2.10%
Guoke Dingzhi	566,730	2.10%

Name of Shareholders	No. of Shares held	Aggregated approximate ownership percentage upon completion of capital increases
Wuming Boji	565,162	2.09%
Li Jianxin	376,774	1.39%
Qiming Rongchuang	294,844	1.09%
Qi Hui	257,463	0.95%
Liu Rui	241,505	0.89%
Cheng Haowen	226,064	0.84%
Mingde Weixin No. 1	205,013	0.76%
Wang Peng	188,316	0.70%
Wanlong Investment	176,584	0.65%
Remaining Shareholders[(2)]	889,110	3.29%
Total	**27,014,132**	**100%**

Notes:

(1) Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

(2) The remaining Shareholders comprised of 39 Shareholders, with their respective shareholding in the Company ranged from approximately 0.0034% to 0.63%, among which the largest Shareholder was Zou Xianghong and Mu Tianzhi, each of which held 169,477 Shares, representing approximately 0.63% of our then total number of issued.

10. Share Swap, Share Compensation and Share Transfer in May 2021

During the preparation stage of the Division, Mr. Xu agreed to swap his Shares held in our Company with the shares of Xiantongyuan held by the relevant shareholders who were unwilling to hold shares of Xiantongyuan so as to facilitate the process of the Division. As a result, series of confirmations and share swap agreements were entered into between June 2019 and March 2021, pursuant to which Mr. Xu swapped his Shares with the shares of Xiantongyuan held by the following Shareholders and the such swap was fully settled on May 2, 2021:

Name of Shareholders	No. of Shares swapped
Qiming Rongxin	316,964
Huaqing Bencao	215,905
Mingde Weixin No. 9	210,565
Wuming Boji	160,472
Li Jianxin	107,274
Qiming Rongchuang	74,350
Cheng Haowen	61,126
Mingde Weixin No. 1	57,255
Wanglong Investment	49,653
Qi Hui	11,237
LI Guangyao (李光耀)	5,060
YANG Ke (楊克)	3,075
LIAO Jidong (廖繼東)	2,530
YAO Yizhu (姚奕竹)	2,613
ZHANG Xusheng (張旭升)	1,518
ZHAO Lihong (趙麗虹)	1,012
LI Changju (李昌菊)	759
LIU Yiqun (劉一群)	759
HAO Jin (郝晉)	506
LI Xiangping (李湘平)	253
LIU Xuehu (劉學虎)	253
CAO Fengqi (曹峰琦)	250
PENG Sha (彭莎)	253

During the process of the Division, in order to facilitate the Division, after negotiation among parties, Mr. Xu also agreed to compensate Qiming Rongxin, Qiming Rongchuang and Huaqing Bencao in the form of transferring his Shares held in our Company, the details of which was set out below. Such compensation was fully settled on May 2, 2021.

Name of Shareholders	No. of Shares compensated
Qiming Rongxin	153,697
Huaqing Bencao	94,878
Qiming Rongchuang	36,052

After commercial negotiation, it was agreed that all the debt owned by Xiantongyuan to Shenzhen Mingde Weixin No. 7 Investment Partnership (Limited Partnership) (深圳市明德惟馨柒號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 7**") and Jiangsu Wangao Pharmaceutical Co., Ltd. (江蘇萬高藥業股份有限公司) ("**Jiangsu Wangao**") would be bore by Mr. Xu, and such debts would be settled in the form of transferring Mr. Xu's Shares in our Company to Mingde Weixin No. 7 and Jiangsu Wangao, respectively. Accordingly, on March 27, 2020 and March 2, 2021, Mingde Weixin No. 7 entered into a share transfer agreement and a supplemental agreement with Mr. Xu, pursuant to which, Mr. Xu agreed to transfer 230,470 Shares to Mingde Weixin No. 7 at the consideration of approximately RMB52.94 per Share. On March 27, 2020 and March 2, 2021, Jiangsu Wangao entered into a share transfer agreement and a supplemental agreement with Mr. Xu, pursuant to which, Mr. Xu agreed to transfer 188,910 Shares at the consideration of approximately RMB52.94 per Share. Such share transfers were fully settled on May 2, 2021.

11. Capital Increases and Share Transfers in 2021

Pursuant to the Shareholders' resolutions dated January 22, 2021, the registered capital of our Company increased from RMB27,014,132 to RMB31,982,249. The below subscribers subscribed for the increased share capital of 4,968,117 Shares at a total consideration of RMB320 million pursuant to the subscription agreement dated January 29, 2021. The consideration was fully settled on February 19, 2021 (the "**Feb-2021 Capital Increase**").

The respective subscription amount and consideration for each subscriber were as follows:

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increases in 2021
		(RMB)	
CICC Qide (Xiamen) Innovation Biomedical Venture Capital Partnership (Limited Partnership) (中金啟德(廈門)創新生物醫藥創業投資合夥企業(有限合夥)) ("**CICC Qide**")	2,328,804	150,000,000	6.20%
Hetang Innovation	465,761	30,000,000	3.67%
Tianjin Panya Equity Investment Fund Partnership (Limited Partnership) (天津盼亞股權投資基金合夥企業(有限合夥)) ("**Tianjin Panya**")	621,015	40,000,000	2.05%
Chengdu Deyi Xinhua Equity Investment Partnership (Limited Partnership) (成都得怡欣華股權投資合夥企業(有限合夥)) ("**Deyi Xinhua**")	465,761	30,000,000	1.50%
Shanghai Longshen No. 6 Venture Capital Partnership (Limited Partnership) (上海隆申六號創業投資合夥企業(有限合夥)) ("**Longshen No. 6**")	465,761	30,000,000	1.24%
Langma No. 36 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十六號(深圳)創業投資中心(有限合夥)) ("**Langma No. 36**")	310,507	20,000,000	0.83%
Langma No. 33 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十三號(深圳)創業投資中心(有限合夥)) ("**Langma No. 33**")	155,254	10,000,000	0.41%
Beijing Yuanhui Ruize Phase 0 Equity Investment Fund Center (Limited Partnership) (北京源慧睿澤零期股權投資基金中心(有限合夥)) ("**Yuanhui Ruize**")	155,254	10,000,000	0.41%
Total	**4,968,117**	**320,000,000**	**–**

On March 22, 2021, we, Mr. Xu and Hetang Innovation entered into a share transfer agreement, pursuant to which Mr. Xu agreed to transfer 345,008 Shares to Hetang Innovation at the total consideration of RMB20 million. On March 23, 2021, we, Mr. Xu and Beijing Yizhuang Pharmaceutical Small and Medium Enterprise Entrepreneurship Investment Center (Limited Partnership) (北京亦莊醫藥中小企業創業投資中心(有限合夥)) ("**Yizhuang Investment**") entered into a share transfer agreement with Mr. Xu, pursuant to which Mr. Xu agreed to transferred 103,502 Shares to Yizhuang Investment at the total consideration of RMB6 million. Such consideration was fully settled on April 9, 2021 (the "**Apr-2021 Share Transfers**").

Pursuant to the Shareholders' resolutions dated March 31, 2021, the registered capital of our Company increased from RMB31,982,249 to RMB33,581,362. Such increased registered capital was subscribed by Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi, each an Employee Shareholding Platform, as to 799,556 Shares and 799,557 Shares at par value. Such consideration was fully settled on June 16, 2023.

Pursuant to the Shareholders' resolutions dated September 24, 2021, the registered capital of our Company increased from RMB33,581,362 to RMB37,561,375. The below subscribers subscribed for the increased share capital of 3,980,013 Shares at a total consideration of RMB320 million pursuant to the subscription agreement dated September 26, 2021. The consideration was fully settled on October 20, 2021 (the "**Oct-2021 Capital Increase**").

The respective subscription amount and consideration for each subscriber were as follows:

Name of Shareholders	**No. of Shares subscribed**	**Consideration**	**Aggregated approximate ownership percentage upon completion of capital increases in 2021**
		(RMB)	
Jiangsu Jiequan Chengda Equity Investment Center (Limited Partnership) (江蘇聿泉成達股權投資中心(有限合夥)) ("**Jiangsu Jiequan**")	2,487,508	200,000,000	6.62%
Nanjing Zhengkai Enterprenuer Management Partnership (Limited Partnership) (南京鉦凱企業管理合夥企業(有限合夥)) ("**Nanjing Zhengkai**")	1,243,754	100,000,000	3.31%
Tianjin Panya	149,251	12,000,000	2.05%
Deyi Xinhua	99,500	8,000,000	1.50%
Total	**3,980,013**	**320,000,000**	–

Upon completion of the above capital increases and share transfers, the shareholding of our Company was as follows:

Name of Shareholders	No. of Shares held	Aggregated approximate ownership percentage upon completion of capital increases and share transfers
Mr. Xu	7,071,255	18.83%
Jiangsu Jiequan	2,487,508	6.62%
CICC Qide	2,328,804	6.20%
Tongfu Fund	1,889,100	5.03%
Qiming Rongxin	1,727,625	4.60%
Xue Fei	1,453,183	3.87%
Hetang Innovation	1,377,499	3.67%
Nanjing Zhengkai	1,243,754	3.31%
Chu Wei	1,157,318	3.08%
Wuming Futian	1,133,459	3.02%
Guoyao Zhongsheng	1,124,463	2.99%
Huaqing Bencao	1,086,714	2.89%
Mingde Weixin No. 9	964,114	2.57%
Zhang Yingjie	936,934	2.49%
Liu Shuang	868,378	2.31%
Beijing Sinotau Juli	864,054	2.30%
Tianjing Sinotau Juneng	799,556	2.13%
Tianjin Sinotau Juzhi	799,557	2.13%
Tianjin Panya	770,266	2.05%
Ms. Tang	740,032	1.97%
Wuming Boji	725,634	1.93%
Guoke Dingzhi	566,730	1.51%
Deyi Xinhua	565,261	1.50%
Li Jianxin	484,048	1.29%
Longshen No. 6	465,761	1.24%
Qiming Rongchuang	405,246	1.08%
Remaining Shareholders[(2)]	3,525,122	9.38%
Total	**37,561,375**	**100%**

Notes:

(1) Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

(2) The remaining Shareholders comprised of 50 Shareholders, with their respective shareholding in the Company ranged from approximately 0.0025% to 0.83%, among which the largest Shareholder was Langma No. 36 which held 310,507 Shares, representing approximately 0.83% of our then total number of issued Shares.

12. Capital increases in June 2023

Pursuant to the Shareholders' resolutions dated May 22, 2023, the registered capital of our Company increased from RMB37,561,375 to RMB47,498,603. The below subscribers subscribed for the increased share capital of 7,799,791 Shares at a total consideration of RMB685,260,000 pursuant to the subscription agreement dated June 9, 2023. The consideration was fully settled on June 26, 2023 (the "**First Jun-2023 Capital Increase**"). Pursuant to the same agreement, Beijing Sinotau Juxin and Beijing Sinotau Juhui, each an Employee Shareholding Platform, subscribed for 1,775,726 Shares and 361,711 Shares at par value, respectively. The consideration was fully settled on June 14, 2023.

The respective subscription amount and consideration for each subscribers were as follows:

Name of Shareholders	**No. of Shares subscribed**	**Consideration**	**Aggregated approximate ownership percentage upon completion of capital increases**
		(RMB)	
China Structural Reform Fund II Corporation Limited (中國國有企業結構調整基金二期股份有限公司) ("**China Structural Reform Fund II**")	1,707,335	150,000,000	3.27%
Hetang Innovation	227,645	20,000,000	3.07%
Guotou (Guangdong) Technology Achievement Transformation Venture Capital Fund Partnership (Limited Partnership) (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥)) ("**Guotou Guangdong**")	1,138,223	100,000,000	2.18%
Genertec Venture Capital Co., Ltd. (通用技術創業投資有限公司) ("**Genertec VC Company**")	1,138,223	100,000,000	2.18%
Jiangxi Jilin Xinsheng Enterprise Management Co., Ltd. (江西濟麟鑫盛企業管理有限公司) ("**Jilin Xinsheng**")	512,201	45,000,000	0.98%

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increases
		(RMB)	
Guangfa Qianhe Investment Co., Ltd. (廣發乾和投資有限公司) ("**Guangfa Qianhe**")	341,467	30,000,000	0.96%
Guangdong Yueke Great Health Venture Capital Center on The West Bank of The Pearl River (Limited Partnership) (廣東粵科珠江西岸大健康創業投資中心(有限合夥)) ("**Zhuxi Healthcare**")	341,467	30,000,000	0.65%
Wuxi Shanghang Industry Venture Capital Fund Partnership (Limited Partnership) (無錫尚行產業投資基金合夥企業(有限合夥)) ("**Wuxi Shanghang**")	341,467	30,000,000	0.65%
Tianjin Panshi Zhenhe Biomedical Equity Investment Fund Partnership (Limited Partnership) (天津磐石臻和生物醫藥股權投資基金合夥企業(有限合夥)) ("**Panshi Zhenhe**")	318,703	28,000,000	0.61%
Jiaxing Yaojin Equity Investment Partnership (Limited Partnership) (嘉興垚錦股權投資合夥企業(有限合夥)) ("**Jiaxing Yaojin**")	310,280	27,260,000	0.59%
Jiaxing Zhizheng Venture Capital Partnership (Limited Partnership) (嘉興知正創業投資合夥企業(有限合夥)) ("**Zhizheng VC**")	273,174	24,000,000	0.52%
Zhongshan Talent Shuangchuang Development Investment Master Fund Partnership (Limited Partnership) (中山市人才雙創發展投資母基金合夥企業(有限合夥)) ("**Zhongshan Talent**")	227,645	20,000,000	0.44%
Nanjing Enjie Venture Capital Partnership (Limited Partnership) (南京恩捷創業投資合夥企業(有限合夥)) ("**Nanjing Enjie VC**")	227,645	20,000,000	0.44%
Zhongshan Jintou Venture Capital Fund Partnership (Limited Partnership) (中山金投創業投資發展基金(有限合夥)) ("**Zhongshan Jintou**")	227,645	20,000,000	0.44%
Zibo Boyu Zhiyuan Equity Investment Partnership (Limited Partnership) (淄博鉑宇致遠股權投資合夥企業(有限合夥)) ("**Boyu Zhiyuan**")	117,920	10,360,000	0.23%

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increases
		(RMB)	
Wuhan Lide Investment Co., Ltd. (武漢利德投資有限公司) ("**Wuhan Lide**")	113,822	10,000,000	0.22%
Boyu Kuntong (Zibo) Equity Investment Partnership (Limited Partnership) (鉑宇坤桐(淄博)股權投資合夥企業(有限合夥)) ("**Boyu Kuntong**")	114,619	10,070,000	0.22%
Boyu Kexing (Zibo) Equity Investment Partnership (Limited Parntership) (鉑宇科興(淄博)股權投資合夥企業(有限合夥)) ("**Boyu Kexing**")	108,928	9,570,000	0.21%
Hebei Xiong'an Tongzi Zhongzhi Investment Management Partnership (Limited Partnership) (河北雄安通資眾智投資管理合夥企業(有限合夥)) ("**Tongzi Zhongzhi**")	11,382	1,000,000	0.02%
Total	**7,799,791**	**685,260,000**	**–**

Pursuant to the Shareholders' resolutions dated June 21, 2023, the registered capital of our Company increased from to RMB47,498, 603 to RMB52,219,273. The below subscriber subscribed for the increased share capital of 4,720,670 Shares at a total consideration of RMB414,740,000 pursuant to the subscription agreement dated June 21, 2023. The consideration was fully settled on June 28, 2023 (the "**Second Jun-2023 Capital Increase**", together with the First Jun-2023 Capital Increase, the "**Jun-2023 Capital Increases**").

The respective subscription amount and consideration for each subscribers were as follows:

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increases
		(RMB)	
Jiangsu Jiequan	910,579	80,000,000	6.98%
GoldStone New materials Fund for Manufacturing Transformation and Upgrading (Limited Partnership) (金石製造業轉型升級新材料基金(有限合夥)) ("**GoldStone New Material Fund**")	2,276,447	200,000,000	4.36%
CITIC Securities Investment Co., Ltd. (中信證券投資有限公司) ("**CITIC Securities**")	569,112	50,000,000	1.09%
Wuxi Guolian Industrial Collaboration Investment Center (Limited Partnership) (無錫國聯產業協同投資中心(有限合夥)) ("**Wuxi Guolian**")	569,112	50,000,000	1.09%
Guangfa Qianhe	157,303	13,820,000	0.96%
Central Enterprise Rural Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司) ("**Rural Industry Fund**")	227,645	20,000,000	0.44%
Wuxi Jinyi Hongda Consulting Partnership (Limited Partnership) (無錫金易弘達諮詢服務合夥企業(有限合夥)) ("**Jinyi Hongda**")	10,472	920,000	0.02%
Total	**4,720,670**	**414,740,000**	**–**

As the valuation adjustment clause as agreed in the relevant share subscription agreement dated September 26, 2021 was triggered, Mr. Xu transferred 244,228 Shares, 122,114 Shares, 14,654 Shares and 9,769 Shares to Jiangsu Jiequan, Nanjing Zhengkai, Tianjin Panya and Deyi Xinhua at nil consideration, respectively.

Upon completion of the above capital increases and the share transfers, the shareholding of our Company was as follows:

Name of Shareholders	No. of Shares held	Aggregated approximate ownership percentage upon completion of capital increases and share transfers
Mr. Xu	6,680,490	12.79%
Jiangsu Jiequan	3,642,315	6.98%
CICC Qide	2,328,804	4.46%
GoldStone New Material Fund	2,276,447	4.36%
Tongfu Fund	1,889,100	3.62%
Beijing Sinotau Juxin	1,775,726	3.40%
Qiming Rongxin	1,727,625	3.31%
China Structural Reform Fund II	1,707,335	3.27%
Hetang Innovation	1,605,144	3.07%
Xue Fei	1,453,183	2.78%
Nanjing Zhengkai	1,365,868	2.62%
Chu Wei	1,157,318	2.22%
Guotou Guangdong	1,138,223	2.18%
Genertec VC Company	1,138,223	2.18%
Wuming Futian	1,133,459	2.17%
Guoyao Zhongsheng	1,124,463	2.15%
Huaqing Bencao	1,086,714	2.08%
Mingde Weixin No. 9	964,114	1.85%
Zhang Yingjie	936,934	1.79%
Liu Shuang	868,378	1.66%
Beijing Sinotau Juli	864,054	1.65%
Tianjin Sinotau Juneng	799,556	1.53%
Tianjin Sinotau Juzhi	799,557	1.53%
Tianjin Panya	784,920	1.50%
Ms. Tang	740,032	1.42%
Wuming Boji	725,634	1.39%
Deyi Xinhua	575,030	1.10%
CITIC Securities	569,112	1.09%
Wuxi Guolian	569,112	1.09%
Guoke Dingzhi	566,730	1.09%
Remaining Shareholders[(2)]	9,225,673	17.67%
Total	**52,219,273**	**100%**

Notes:

(1) Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

(2) The remaining Shareholders comprised of 71 Shareholders, with their respective shareholding in the Company ranged from approximately 0.0018% to 0.98%, among which the largest Shareholder was Jilin Xinsheng which held 512,201 Shares, representing approximately 0.98% of our then total number of issued Shares.

13. Share transfers between June 2023 and October 2024

On June 26, 2023, Huaqing Bencao entered into share transfer agreements with Jiaxing Weixin Yitian Equity Investment Partnership (Limited Partnership) (嘉興惟馨益田股權投資合夥企業(有限合夥)) ("**Jiaxing Weixin**") and Chongqing Hetang Private Equity Investment Fund Partnership (Limited Parntership) (重慶荷塘私募股權投資基金合夥企業(有限合夥)) ("**Chongqing Hetang**"), respectively, pursuant to which, Huaqing Bencao agreed to transfer 205,235 Shares and 363,876 Shares to Jiaxing Weixin and Chongqing Hetang at the consideration of RMB14,425,968 and RMB25,575,012.63, respectively. The consideration was fully settled on July 7, 2023 (the "**Jun-2023 Share Transfer**").

On June 29, 2023, ZHANG Yuan (張媛), an Independent Third Party, and Mr. Xu entered into a share transfer agreement, pursuant to which Zhang Yuan agreed to transfer 3,768 Shares to Mr. Xu at the total consideration of RMB229,484.59. The consideration was fully settled on July 20, 2023. On March 19, 2024, DONG Junlin (董俊麟), an Independent Third Party, and Mr. Xu entered into a share transfer agreement, pursuant to which Dong Junlin agreed to transfer 1,884 Shares to Mr. Xu at the total consideration of RMB118,442.21. The consideration was fully settled on March 21, 2024.

On October 10, 2024, among others, Langma No. 33, Langma No. 36, Nanjing Zhengkai and our Company entered into a share transfer agreement, pursuant to which, each of Langma No. 33 and Langma No. 36 agreed to transfer 155,254 Shares and 77,627 Shares to Nanjing Zhengkai at the total consideration of RMB11,366,145 and RMB5,683,073, respectively. The consideration was fully settled on October 23, 2024 (the "**Oct-2024 Share Transfer**").

14. Capital Increases and Equity Transfer in 2024

Pursuant to the Shareholders' resolutions dated November 11, 2024, the registered capital of our Company increased from to RMB52,219,273 to RMB56,772,167. The below subscriber subscribed for the increased share capital of 4,552,894 Shares at a total consideration of RMB400,000,000 pursuant to the subscription agreement dated November 14 2024. The consideration was fully settled on November 28, 2024 (the "**Nov-2024 Capital Increase**").

The respective subscription amount and consideration for each subscriber were as follows:

Name of Shareholders	No. of Shares subscribed	Consideration	Aggregated approximate ownership percentage upon completion of capital increases
		(RMB)	
GoldStone New Material Fund	2,276,447	200,000,000	8.02%
Beijing Pharmaceutical Healthcare Industry Investment Fund (Limited Partnership) (北京市醫藥健康產業投資基金(有限合夥)) ("**Pharmaceutical Fund**")	2,276,447	200,000,000	4.01%
Total	**4,552,894**	**400,000,000**	**–**

On December 16, 2024, Wuhan Lide, Zhuhai Chunxiao Technology Co., Ltd. (珠海春曉科技有限公司) ("**Zhuhai Chunxiao**") and our Company entered into a share transfer agreement, pursuant to which, Wuhan Lide agreed to transfer 113,822 Shares to Zhuhai Chunxiao at the total consideration of RMB10,000,000. The consideration was fully settled on December 19, 2024 (the "**Dec-2024 Share Transfer**").

Pursuant to the Shareholders' resolutions dated December 26, 2024, the registered capital of our Company increased from RMB56,772,167 to RMB59,048,614. Jiangsu Jiequan subscribed for the increased share capital of 2,276,447 Shares at a total consideration of RMB200,000,000 pursuant to the subscription agreement dated December 30, 2024. The consideration was fully settled on December 30, 2024 (the "**Dec-2024 Capital Increase**").

Upon completion of the above capital increases and share transfer, the shareholding of our Company was as below:

Name of Shareholders	No. of Shares held	Aggregated approximate ownership percentage upon completion of capital increases and share transfer
Mr. Xu	6,686,142	11.32%
Jiangsu Jiequan	5,918,762	10.02%
GoldStone New Material Fund	4,552,894	7.71%
CICC Qide	2,328,804	3.94%
Pharmaceutical Fund	2,276,447	3.86%
Tongfu Fund	1,889,100	3.20%
Beijing Sinotau Juxin	1,775,726	3.01%
Qiming Rongxin	1,727,625	2.93%
China Structural Reform Fund II	1,707,335	2.89%
Hetang Innovation	1,605,144	2.72%
Nanjing Zhengkai	1,598,749	2.71%
Xue Fei	1,453,183	2.46%
Chu Wei	1,157,318	1.96%
Guotou Guangdong	1,138,223	1.93%
Genertec VC Company	1,138,223	1.93%
Wuming Futian	1,133,459	1.92%
Guoyao Zhongsheng	1,124,463	1.90%
Mingde Weixin No. 9	964,114	1.63%
Zhang Yingjie	936,934	1.59%
Liu Shuang	868,378	1.47%
Beijing Sinotau Juli	864,054	1.46%
Tianjin Sinotau Juneng	799,556	1.35%
Tianjin Sinotau Juzhi	799,557	1.35%
Tianjin Panya	784,920	1.33%
Ms. Tang	740,032	1.25%
Wuming Boji	725,634	1.23%
Remaining Shareholders[(2)]	12,353,838	20.92%
Total	**59,048,614**	**100%**

Notes:

(1) Percentages shown as totals in the chart may not be the arithmetic aggregation of the figures shown in the notes are due to rounding adjustment.

(2) The remaining Shareholders comprised of 75 Shareholders, with their respective shareholding in the Company ranged from approximately 0.0016% to 0.97%, among which the largest Shareholder was Deyi Xinhua which held 575,030 Shares, representing approximately 0.97% of our then total number of issued Shares.

15. Share Transfer in March 2025

On February 6, 2025, Huaqing Bencao and Jiaxing Yaotong Equity Investment Partnership (Limited Partnership) (嘉興垚通股權投資合夥企業(有限合夥)) ("**Jiaxing Yaotong**") entered into a share transfer agreement, pursuant to which, Huaqing Bencao agreed to transfer 420,594 Shares to Jiaxing Yaotong at the total consideration of RMB26,976,000. The consideration was fully settled on March 10, 2025 (the "**Mar-2025 Share Transfer**").

16. Share Transfers in May 2025

On May 12, 2025, our Company, Qiming Rongxin and Qiming Rongchuang entered into a share transfer agreement with Wuxi Shanghang, pursuant to which, each of Qiming Rongxin and Qiming Rongchuang agreed to transfer 73,669 Shares and 17,280 Shares to Wuxi Shanghang at the consideration of RMB5,178,194.01 and RMB1,214,611.20, respectively. The consideration was fully settled on May 15, 2025 (the "**First May-2025 Share Transfer**").

On May 22, 2025, our Company, Qiming Rongxin and Qiming Rongchuang entered into a share transfer agreement with Maotai GoldStone (Guizhou) Bio-technology Industry Fund Limited Partnership (Limited Partnership) (茅台金石(貴州)生物科技產業基金合夥企業(有限合夥)) ("**Maotai GoldStone Fund**"), pursuant to which each of Qiming Rongxin and Qiming Rongchuang agreed to transfer 502,514 Shares and 117,874 Shares to Maotai GoldStone Fund at the consideration of RMB35,321,709.06 and RMB8,285,363.46, respectively. On May 22, 2025, our Company and Huaqing Bencao entered into a share transfer agreement with Maotai GoldStone Fund, pursuant to which Huaqing Bencao agreed to transfer 97,009 Shares to Maotai GoldStone Fund at the consideration of RMB6,392,893.10. The considerations were fully settled on May 23, 2025 (the "**Second May-2025 Share Transfer**", together, the "**May-2025 Share Transfers**").

CONCERT PARTY AGREEMENT

On July 20, 2020, Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng entered into the Concert Party Agreement, pursuant to which, they (i) acknowledged and confirmed their relationship of acting in concert in exercising the rights of the shareholders of the Company, and agreed to continue such acting in concert relationship, and (ii) agreed to consult with each other and reach a unanimous consensus before the decisions when exercising his/her voting rights as a shareholder of the Company and when participating in the Group's operation and management, external investments and all major matters, and if there is any disagreement between them after consultation, parties shall follow Mr. Xu's decision in exercising his/her voting rights of the Shares.

OUR GROUP

As of the Latest Practicable Date, our Group comprised our Company and our 12 onshore subsidiaries and one overseas subsidiary. For details of our subsidiaries, see Note 1 to the Accountants' Report in Appendix I to this document.

We primarily operate our business through our Company and principal operating subsidiaries. As of the Latest Practicable Date, we had four principal operating entities, including our Company, Glotope, Shanghai Sinotau and Jiangsu Sinotau Pharmaceutical which made material contribution to our results of operation during the Track Record Period, the details of which are set forth below:

	Place of Incorporation	Date of Incorporation	Shareholding Change	Principal Business activities
Our Company	PRC	January 24, 2005	For details of the shareholding change of our Company, see "– Corporate Development and Shareholding Changes of Our Group" in this section	Research and development of radiopharmaceuticals
Glotope	PRC	June 3, 2019	For details of the shareholding change of our Company, see "– Establishment and Shareholding Changes of Major Subsidiaries" in this section	CRO/CDMO services
Shanghai Sinotau	PRC	November 12, 2021	For details of the shareholding change of our Company, see "– Establishment and Shareholding Changes of Major Subsidiaries" in this section	New drug research and development
Jiangsu Sinotau Pharmaceutical	PRC	May 17, 2023	For details of the shareholding change of our Company, see "– Establishment and Shareholding Changes of Major Subsidiaries" in this section	Sales of goods

Establishment and Shareholding Changes of Major Subsidiaries

Glotope

Glotope was established on June 3, 2019 with a registered capital of RMB100 million. Since its establishment and until July 22, 2023, Glotope had been our wholly-owned subsidiary. On March 23, 2021, the registered capital of Glotope decreased from RMB100 million to RMB10 million. The registered capital was then increased to RMB50 million on March 9, 2023. On July 22, 2023, our Company decided to increase the registered capital of Glotope to RMB108,088,234. The increased registered capital was subscribed by our Company as to RMB14,705,882, Guotou Guangdong as to RMB29,411,765, Chengdu Guotong Juli Technology Development Center (Limited Partnership) (成都國通聚力科技發展中心(有限合夥)) ("**Guotong Juli**"), as an employee shareholding platform of Glotope, as to RMB4,411,765, Chengdu Guotong Juneng Technology Development Center (Limited Partnership) (成都國通聚能科技發展中心(有限合夥)) ("**Guotong Juneng**"), as an employee shareholding platform of Glotope, as to RMB4,411,764 and other three subscribers, each an Independent Third Party. During the period between August 2023 and December 2024, Glotope further underwent two rounds of capital increase and the registered capital increased to RMB135,340,071. As of the Latest Practicable Date, Glotope was owned as to approximately 58.34%, 21.73%, 3.26%, 3.26% and 13.41% by our Company, Guotou Guangdong, Guotong Juli, Guotong Juneng and other six Independent Third Party investors, respectively.

Shanghai Sinotau

Shanghai Sinotau was established on November 12, 2021 with a registered capital of RMB30 million. Since its establishment, Shanghai Sinotau has been our subsidiary. As of the Latest Practicable Date, the registered capital of Shanghai Sinotau was RMB30 million.

Jiangsu Sinotau Pharmaceutical

Jiangsu Sinotau Pharmaceutical was established on May 17, 2023 with a registered capital of RMB30 million. Since its establishment, Jiangsu Sinotau Pharmaceutical has been our subsidiary. As of the Latest Practicable Date, the registered capital of Jiangsu Sinotau Pharmaceutical was RMB30 million.

EMPLOYEE INCENTIVE SCHEMES

To enhance corporate governance, establish long-term incentives, attract and retain talent, boost team cohesion and competitiveness, align interests of shareholders, company, and core team, and ensure long-term development and strategic goals, Beijing Sinotau Juli, Beijing Sinotau Juxin, Beijing Sinotau Juhui, Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi formed as our Employee Shareholding Platforms. As of the Latest Practicable Date, Mr. Xu was the executive partner of each of the Employee Shareholding Platforms. Thus, in effect, all management powers and voting rights of each Employee Shareholding Platform resided with Mr. Xu.

Beijing Sinotau Juli

Beijing Sinotau Juli was established in the PRC as a limited partnership on June 10, 2019. As of the Latest Practicable Date, Beijing Sinotau Juli had 14 limited partners, including Ms. Tang (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 51.41% of the limited partnership interests in Beijing Sinotau Juli, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 34.49% of the limited partnership interests in Beijing Sinotau Juli, ZHAO Yanping (趙豔萍) (our former director in the past 12 months) holding approximately 4.49% of the limited partnership interests in Beijing Sinotau Juli, HUA Ning (花寧) (a director of our subsidiaries) holding approximately 1.80% of the limited partnership interests in Beijing Sinotau Juli, and ten former and current employees of our Company. Mr. Xu is the executive partner of Beijing Sinotau Juli. Thus, in effect, all management powers and voting rights of Beijing Sinotau Juli resided with Mr. Xu.

Beijing Sinotau Juxin

Beijing Sinotau Juxin was established in the PRC as a limited partnership on May 16, 2023. As of the Latest Practicable Date, Beijing Sinotau Juxin had five limited partners, including Ms. Tang (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 67.58% of the limited partnership interests in Beijing Sinotau Juxin, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 22.53% of the limited partnership interests in Beijing Sinotau Juxin, Yu Wenbin (虞文彬) (our executive Director) holding approximately 3.20% of the limited partnership interests in Beijing Sinotau Juxin and two current employees of our Company. Mr. Xu is the executive partner of Beijing Sinotau Juxin. Thus, in effect, all management powers and voting rights of Beijing Sinotau Juxin resided with Mr. Xu.

Beijing Sinotau Juhui

Beijing Sinotau Juhui was established in the PRC as a limited partnership on May 16, 2023. As of the Latest Practicable Date, Beijing Sinotau Juhui had 34 limited partners, including XU Bailing (許百靈) (a director of our subsidiary) holding approximately 6.29% of the limited partnership interests in Beijing Sinotau Juhui, HUA Ning (花寧) (a director of our subsidiaries) holding approximately 3.15% of the limited partnership interests in Beijing Sinotau Juhui, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 1.89% of the limited partnership interests in Beijing Sinotau Juhui, WANG Wenting (王文婷) (a supervisor of our subsidiaries) holding approximately 1.26% of the limited partnership interests in Beijing Sinotau Juhui, ZHAO Jinlong (趙金龍) (a supervisor of our subsidiary) holding approximately 0.25% of the limited partnership interests in Beijing Sinotau Juhui and 29 existing employees of our Company. Mr. Xu is the executive partner of Beijing Sinotau Juhui. Thus, in effect, all management powers and voting rights of Beijing Sinotau Juhui resided with Mr. Xu.

Tianjin Sinotau Juneng

Tianjin Sinotau Juneng was established in the PRC as a limited partnership on April 19, 2021. As of the Latest Practicable Date, Tianjin Sinotau Juneng had 15 limited partners, including HUA Ning (花寧) (a director of our subsidiaries) holding approximately 9.95% of the limited partnership interests in Tianjin Sinotau Juneng, Ms. Tang (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 5.73% of the limited partnership interests in Tianjin Sinotau Juneng, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 4.75% of the limited partnership interests in Tianjin Sinotau Juneng, YU Wenbin (虞文彬) (our executive Director) holding approximately 2.57% of the limited partnership interests in Tianjin Sinotau Juneng, XU Bailing (許百靈) (a director of our subsidiary) holding approximately 2.26% of the limited partnership interests in Tianjing Sinotau Juneng, Liu Shuang (a member of the Single Largest Shareholders Group) holding approximately 1.64% of the limited partnership interests in Tianjin Sinotau Juneng and nine former and existing employees of our Company. Mr. Xu is the executive partner of Tianjin Sinotau Juneng. Thus, in effect, all management powers and voting rights of Tianjin Sinotau Juneng resided with Mr. Xu.

Tianjin Sinotau Juzhi

Tianjin Sinotau Juzhi was established in the PRC as a limited partnership on April 9, 2021. As of the Latest Practicable Date, Tianjin Sinotau Juzhi had 47 limited partners, including JI Jie (綦傑) (a director and supervisor of our subsidiaries) holding approximately 1.17% of the limited partnership interests in Tianjin Sinotau Juzhi, one former consultant and 45 former and existing employees of our Company. Mr. Xu is the executive partner of Tianjin Sinotau Juzhi. Thus, in effect, all management powers and voting rights of Tianjin Sinotau Juzhi resided with Mr. Xu.

As of the Latest Practicable Date, the awards under the Employee Incentive Scheme have been fully granted and vested.

PRE-[REDACTED] INVESTMENTS

Overview

Our Company obtained several rounds of investments, including the Jan-2017 Capital Increase, Dec-2017 Capital Increase, Jun-2020 Capital Increase, Sep-2020 Capital Increase, Feb-2021 Capital Increase, Oct-2021 Capital Increase, Jun-2023 Capital Increases, Nov-2024 Capital Increase and Dec-2024 Capital Increase, from the Pre-**[REDACTED]** Investors through subscriptions for increased registered capital of our Company. In addition, some investors joined our Company by purchase of the registered capital or Shares of our Company from the then existing Shareholders. For further details, see the subsection headed "Corporate Development and Shareholding Changes of Our Group – Subsequent Capital Changes and Equity Transfers of Our Company" in this section.

Principal Terms of the Pre-[REDACTED] Investments

The following table summarizes the key terms of the Pre-**[REDACTED]** Investments to our Company made by the Pre-**[REDACTED]** Investors:

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor	Amount of registered capital/ No. of Shares involved	Consideration	Cost per Share	Post-money valuation[2]	Discount to the [REDACTED][1]
						(RMB)	*(RMB)* *(approximation)*	*(RMB)* *(approximation)*	*(RMB)* *(approximation)*	*(approximation)*
1.	Jan-2017 Capital Increase	Fund raising during the NEEQ listing period	September 26, 2016	October 22, 2016	37 individual investors and two corporate investors	4,479,997	130,009,666	29.02	1,030 million	**[REDACTED]**%
2.	Dec-2017 Capital Increase	Fund raising during the NEEQ listing period	May 5, 2017 July 10, 2017 September 7, 2017	June 8, 2017	Qiming Rongxin Qiming Rongchuang Huaqing Bencao	4,257,800	150,002,294	35.23	1,400 million	**[REDACTED]**%
3.	Jun-2020 Capital Increase	Subscription of registered share capital	April 13, 2020	June 5, 2020	Wuming Futian Guoyao Zhongsheng Hetang Innovation Shengcheng Investment	2,833,648	150,000,000	52.94	1,300 million[3]	**[REDACTED]**%
4.	Sep-2020 Capital Increase	Subscription of registered share capital	July 22, 2020	September 11, 2020	Tongfu Fund Guoke Dingzhi	2,455,830	130,000,000	52.94	1,430 million	**[REDACTED]**%

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor	Amount of registered capital/ No. of Shares involved	Consideration	Cost per Share	Post-money valuation[2]	Discount to the [REDACTED][1]
						(RMB)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	(*approximation*)
5.	Feb-2021 Capital Increase	Subscription of registered share capital	January 29, 2021	February 19, 2021	CICC Qide	4,968,117	320,000,000	64.41	2,060 million	**[REDACTED]**%
					Deyi Xinhua					
					Tianjin Panya					
					Longshen No. 6					
					Langma No. 36					
					Langma No. 33					
					Hetang Chuangxin					
					Yuanhui Ruize					
6.	Apr-2021 Share Transfers	Share transfer from existing shareholder	March 22, 2021 March 23, 2021	April 9, 2021	Yizhuang Investment	448,510	26,000,000	57.97	N/A	N/A
					Hetang Innovation					
7.	Oct-2021 Capital Increase	Subscription of registered share capital	September 26, 2021	October 20, 2021	Jiangsu Jiequan	3,980,013	320,000,000	80.40	3,019 million	**[REDACTED]**%
					Nanjing Zhengkai					
					Tianjin Panya					
					Deyi Xinhua					

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor	Amount of registered capital/ No. of Shares involved	Consideration	Cost per Share	Post-money valuation[2]	Discount to the [REDACTED][1]
						(RMB)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	(*approximation*)
8.	First Jun-2023 Capital Increase	Subscription of registered share capital	June 9, 2023	June 26, 2023	China Structural Reform Fund II	7,799,791	685,260,000	87.86	4,173 million	[REDACTED]%
					Guotou Guangdong					
					Genertec VC Company					
					Tongzi Zhongzhi					
					Zhongshan Jintou					
					Wuhan Lide					
					Boyu Kuntong					
					Boyu Kexing					
					Boyu Zhiyuan					
					Hetang Innovation					
					Guangfa Qianhe					
					Jilin Xinsheng					
					Zhuxi Healthcare					
					Zhongshan Talent					
					Wuxi Shanghang					
					Nanjing Enjie VC					
					Jiaxing Yaojin					
					Zhizheng VC					
					Panshi Zhenhe					

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor	Amount of registered capital/ No. of Shares involved	Consideration	Cost per Share	Post-money valuation[2]	Discount to the [REDACTED][1]
						(RMB)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	(*approximation*)
9.	Second Jun-2023 Capital Increase	Subscription of registered share capital	June 21 2023	June 28, 2023	GoldStone New Material Fund	4,720,670	414,740,000	87.86	4,588 million	[REDACTED]%
					CITIC Securities					
					Wuxi Guolian					
					Jinyi Hongda					
					Guangfa Qianhe					
					Jiangsu Jiequan Rural Industry Fund					
10.	Jun-2023 Share Transfer	Share transfer from existing shareholder	June 26, 2023	July 7, 2023	Jiaxing Wenxin	205,235	14,425,968	70.29	N/A	N/A
					Chongqing Hetang	363,876	25,575,012.63	70.28	N/A	N/A
11.	Oct-2024 Share Transfer	Share transfer from existing shareholder	October 10, 2024	October 23, 2024	Nanjing Zhengkai	232,881	17,049,218	73.21	N/A	N/A
12.	Nov-2024 Capital Increase	Subscription of registered share capital	November 14, 2024	November 28, 2024	GoldStone New Material Fund	4,552,894	400,000,000	87.86	4,988 million	[REDACTED]%
					Pharmaceutical Fund					

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor	Amount of registered capital/ No. of Shares involved	Consideration	Cost per Share	Post-money valuation[2]	Discount to the [REDACTED][1]
						(RMB)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	*(RMB)* (*approximation*)	(*approximation*)
13.	Dec-2024 Share Transfer	Share transfer from existing shareholder	December 16, 2024	December 19, 2024	Zhuhai Chunxiao	113,822	10,000,000	87.86	N/A	N/A
14.	Dec-2024 Capital Increase	Subscription of registered share capital	December 30, 2024	December 30, 2024	Jiangsu Jiequan	2,276,447	200,000,000	87.86	5,188 million	[REDACTED]%
15.	Mar-2025 Share Transfer	Share transfer from existing shareholder	February 6, 2025	March 10, 2025	Jiaxing Yaotong	420,594	26,976,000	64.14	N/A	N/A
16.	First May-2025 Share Transfer	Share Transfer from existing shareholder	May 12, 2025	May 15, 2025	Wuxi Shanghang	90,949	6,392,805.21	70.29	N/A	N/A
17.	Second May-2025 Share Transfer	Share Transfer from existing shareholder	May 22, 2025	May 23, 2025	Maotai GoldStone Fund	717,397	49,999,965.62	70.29 65.90[4]	N/A	N/A

Notes:

(1) Assuming the **[REDACTED]** is HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** as stated in this document) and the indicative exchange rate is RMB1.00 = HK$1.0852.

(2) The post-money valuation is calculated on the basis of (a) cost per Share; and (b) the total number of Shares of our Company upon completion of the relevant of the Pre-**[REDACTED]** Investment.

(3) The decrease of our post-money valuation was due to Division and capital reduction completed in December 2019, for details, see paragraph headed "Corporate Development and Shareholding Changes of Our Group – Subsequent Capital Changes and Equity Transfers of Our Company – 8. Division and Capital Reduction in December 2019" in this section.

(4) Each of Qiming Rongxin, Qiming Rongchuang transferred the relevant Shares to Maotai GoldStone Fund at the consideration of RMB70.29 per Share, which is the same as the consideration of the First May-2025 Share Transfer. Huaqing Bencao transferred the relevant Shares to Maotai GoldStone Fund at the consideration of RMB65.90 per Share. The relevant consideration were determined among the relevant Shareholders as commercial negotiation results.

Basis of determination of the valuation and consideration	The valuation and consideration for each round of the Pre-**[REDACTED]** Investments were determined based on arm's length negotiations between our Company and the Pre-**[REDACTED]** Investors after taking into consideration the timing of the investments and the business, operations and status of our business and operating entities.
Lock-up period	Pursuant to the applicable PRC law, all existing Shareholders (including the Pre-**[REDACTED]** Investors) could not dispose of any of the Shares held by them within 12 months following the **[REDACTED]**.
Use of **[REDACTED]** from the Pre-**[REDACTED]** Investments	We utilized the **[REDACTED]** from the Pre-**[REDACTED]** Investments for the principal business of our Company, including but not limited to the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately 66.5% of the net **[REDACTED]** from the Pre-**[REDACTED]** Investments paid to our Company had been utilized.
Strategic benefits to our Company brought by the Pre-**[REDACTED]** Investors	At the time of the Pre-**[REDACTED]** Investments, our Directors were of the view that our Company could benefit from the additional funds provided by the Pre-**[REDACTED]** Investors' investments in our Company and the knowledge and experience of the Pre-**[REDACTED]** Investors.

Pre-[REDACTED] Investors' Rights

Several Pre-**[REDACTED]** Investors have been granted certain special rights, including, among others, redemption rights, pre-emptive rights, right of first refusal and co-sale, anti-dilution right, drag-along right, liquidation preference and most favorable treatment rights. Pursuant to the termination agreement dated May 22, 2025 entered into and among relevant Shareholders and the Company, (i) the redemption rights shall be terminated one day before the date of the filing of the Company's **[REDACTED]** to the Stock Exchange, the redemption rights shall resume to be exercisable if (a) the **[REDACTED]** was withdraw, rejected or not re-filed within six months after its lapse, or (b) the **[REDACTED]** did not take place within 18 months after submission of the **[REDACTED]** or by December 31, 2026, whichever is earlier; and (ii) apart from the above, all other special rights the Pre-**[REDACTED]** Investors were entitled to will be terminated upon the **[REDACTED]** of the Company.

Information about the Pre-[REDACTED] Investors

Among our Pre-**[REDACTED]** Investors, each of Jiangsu Jiequan, GoldStone New Material Fund, Wuming Investment, Pharmaceutical Fund and Tongfu Fund is a Sophisticated Investor who has made meaningful investment in our Group in accordance with Chapter 2.3 of the Guide. The background information of our existing principal Pre-**[REDACTED]** Investors which individually or collectively hold more than 1.00% of our total issued Shares as of May 23, 2025 is set out below.

Jiangsu Jiequan

Jiangsu Jiequan is a limited partnership established under the laws of the PRC. Its largest limited partner is China Life Insurance Company Limited (中國人壽保險股份有限公司) ("**China Life Insurance**"), a company listed on the Shanghai Stock Exchange (stock code: 601628) and the Hong Kong Stock Exchange (stock code: 2628.HK) and an Independent Third Party, which holds approximately 60% interests therein. Each of the rest of the limited partners of Jiangsu Jiequan is an Independent Third Party which holds less than one-third of the interests therein. The general partner of Jiangsu Jiequan is an indirect wholly owned subsidiary of China Life Insurance (Group) Co., (中國人壽保險(集團)公司). As at the Latest Practicable Date, Jiangsu Jiequan held approximately 10.02% of the total issued shares of the Company.

GoldStone New Material Fund and Maotai GoldStone Fund

Each of GoldStone New Material Fund and Maotai GoldStone Fund was a limited partnership established under the laws of PRC, the executive partner of which was CITIC GoldStone Investment Co., Ltd. (中信金石投資有限公司), which is a wholly-owned subsidiary of CITIC Securities Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 6030). Among the limited partners of GoldStone New Material Fund, National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司) holds approximately 75.39% interests therein. Each of the rest of the limited partners of GoldStone New Material Fund is an Independent Third Party which holds less than one-third of the interests therein. Among the limited partners of Maotai GoldStone Fund, Maotai GoldStone (Guizhou) Industrial Development Fund Limited Partnership (Limited Partnership)

(茅台金石(貴州)產業發展基金合夥企業(有限合夥)) holds approximately 79.9% interests therein. Each of the rest of the limited partners of Maotai GoldStone Fund is an Independent Third Party which holds less than one-third of the interests therein. GoldStone New Material Fund focuses on the key areas of manufacturing transformation and upgrading as well as high-quality development and invests in growth and mature enterprises in new materials and related or downstream sections. The investment size of GoldStone New Material Fund amounted to approximately RMB17.6 billion.

Wuming Futian, Mingde Weixin No. 9, Wuming Boji, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin (together as "Wuming Investment")

Each of Wuming Futian, Mingde Weixin No. 9, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is a limited liability partnership established in the PRC whose executive partner is Shenzhen Wuming Investment Management Co., Ltd. (深圳物明投資管理有限公司) ("**Shenzhen Wuming Investment**"), a company which is ultimately controlled by Dr. Zhang, our non-executive Director. The executive partner of Wuming Boji is Shenzhen Wuming Boji Equity Investment Management (L.P.) (Limited Partnership) (深圳市物明博濟股權投資管理合夥企業(有限合夥)), whose executive partner is Shenzhen Wuming Investment. Each of Wuming Futian, Mingde Weixin No. 9, Wuming Boji, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is an investment vehicle of Dr. Zhang focusing on healthcare industry, respectively. The investments made by Shenzhen Wuming Investment in biotech and healthcare industries mainly focuses on areas of innovative drugs, high-end medical devices, CRO services and etc. The fund subscription size of Shenzhen Wuming Investment amounted to approximately RMB1,998 million.

CICC Qide

CICC Qide is a limited partnership incorporated under the laws of PRC on October 10, 2019, focusing on world-leading innovative medicines and biotechnologies and other related businesses. CICC Qide had 30 limited partners, each an Independent Third Parties as of the Latest Practicable Date who are private investors and institutional investors and none of the limited partners has more than one third of the limited partnership interests. The general partner of CICC Qide which held 1.09% partnership interest of CICC Qide is CICC Capital Management Co., Ltd. ("**CICC Capital Management**"), an Independent Third Party.

CICC Capital Management is a wholly-owned subsidiary of China International Capital Corporation Limited, a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995) and principally engaged in investment banking business, equities business, fixed-income, commodities and currency business, asset management business, private equity business, wealth management business and other business activities.

Pharmaceutical Fund

Pharmaceutical Fund is a limited partnership established under the laws of PRC, the executive partner of which was Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) ("**Beijing Jingguoguan**") and Beijing Kangshida Management Consulting Co., Ltd. (北京康士達管

理諮詢有限公司) ("**Beijing Kangshida**"). Beijing Jingguoguan is wholly-owned by Beijing State-owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司), which in turn is wholly-owned by State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (北京市人民政府國有資產監督管理委員會). Beijing Kangshida is wholly-owned by Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司). The investment size of Pharmaceutical Fund amounted to approximately RMB20 billion.

Hetang Innovation and Chongqing Hetang

Both Hetang Innovation and Chongqing Hetang are funds managed by Lotus Lake Venture Capital Management (Beijing) Co., Ltd. (荷塘創業投資管理(北京)有限公司) ("**Lotus Lake Capital**"). Lotus Lake Capital is a venture capital fund management institution held by the Beijing Tsinghua Industrial R&D Institute (北京清華工業開發研究院). Lotus Lake Capital was established in 2013 during the process of building a technology transfer and innovation system by the Tsinghua University. It is one of the earliest institutions in China to systematically layout investment in the transformation of hard technologies from universities. Lotus Lake Capital takes supporting technological innovation as its core goal, focusing on early-stage and growth-stage enterprises with high barriers, core hard technologies, and original innovation capabilities in the fields of technology manufacturing and healthcare. Currently, Lotus Lake Capital manages nine funds with a total investment size of approximately RMB4 billion and has invested in over 90 projects.

Tongfu Fund

Tongfu Fund is an industrial investment fund mainly focusing on nuclear technology applications, which is managed by China Nuclear Industrial Funds Management Co., Ltd. (中核產業基金管理有限公司). Tongfu Fund was established by China Isotope & Radiation Corporation (中國同輻股份有限公司) (a company whose shares are listed on the Stock Exchange (stock code: 1763)) and China National Nuclear Corporation Capital Holdings Co., Ltd. (中國核工業集團資本控股有限公司) as cornerstone investors, together with Beijing Science and Technology Innovation Fund (北京市科技創新基金), Beijing Daxing Development Guidance Fund (北京市大興發展引導基金) and National Military-Civil Fusion Industry Investment Fund (國家軍民融合產業投資基金). Its investment areas include: nuclide manufacturing, radioactive sources, nuclear medicine, other diagnostic and therapeutic drugs in the field of nuclear medicine application, medical devices, *in vitro* diagnostics, medical services, industrial irradiation applications, etc.

China Structural Reform Fund II

China Structural Reform Fund II, a company incorporated in the PRC, is indirectly and ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council ("**SASAC**"). China Chengtong Holdings Group Ltd. (中國誠通控股集團有限公司), a company controlled by SASAC, holds approximately 35.29% equity interest of China Structural Reform Fund II. CCT Fund Management Co., Ltd. (誠通基金管理有限公司), a wholly-owned subsidiary of China Chengtong Holdings Group Ltd., is the manager of China Structural Reform Fund II and is responsible for its fund management and general affairs. China Structural Reform Fund II is engaged in equity investment, investment management and asset management and other businesses with private equity funds.

Nanjing Zhengkai

Nanjing Zhengkai is a limited partnership established in the PRC. Its general partner is Beijing Zhengguan Business Service Co., Ltd. (北京鉦冠商務服務有限公司). Nanjing Zhengkai serves as an investment vehicle of Centurium Capital. Centurium Capital is a private equity investment firm managing assets totaling several billions of U.S. Dollars. Centurium Capital focuses on investments in healthcare, technology, consumer and business services sectors. Biopharmaceutical is one of the key investment focuses of Centurium Capital in the healthcare sector.

Qiming Rongxin and Qiming Rongchuang

Each of Qiming Rongxin and Qiming Rongchuang is a limited partnership established in the PRC. Its executive partner is Suzhou Industrial Park Qiming Rongsheng Equity Investment Management Partnership (Limited Partnership) (蘇州工業園區啟明融盛投資管理合夥企業(有限合夥)), which is ultimately controlled by HU Xubo (胡旭波) and YU Jia (于佳), each an Independent Third Party, respectively.

Guotou Guangdong

Guotou Guangdong is a limited partnership established in the PRC. The general partner of Guotou Guangdong is SDIC (Guangdong) Venture Capital Management Co., Ltd. (國投(廣東)創業投資管理有限公司), which is held as to 91% by SDIC Venture Capital Co., Ltd. (國投創業投資管理有限公司) ("**SDICVC**"). As of the Latest Practicable Date, Guotou Guangdong had 15 limited partners and the interests held by the limited partners in Guotou Guangdong ranged from approximately 0.17% to 20.67%. As of the Latest Practicable Date, Guotou Guangdong had assets under management of approximately RMB15 billion. SDICVC is a leading professional venture fund management institution with a focus on biotech, digital information, advanced manufacturing and material energy sections and has invested in over 50 biotech companies, including but not limited to, RemeGen Co., Ltd. (榮昌生物製藥(煙台)股份有限公司) (9995.HK), Keymed Biosciences Inc. (康諾亞生物醫藥科技有限公司) (2162.HK), Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司) (2315.HK) and Yantai MabPlex International Biopharma Co., Ltd. (煙台邁百瑞國際生物醫藥股份有限公司).

Genertec VC Company

Genertec VC Company was established in 2012. It is a wholly state-owned venture capital enterprise of China General Technology Group (中國通用技術集團) and a private fund manager under General Technology Capital Company (通用技術資本公司). Genertec VC Company focuses on technological innovation and industrial empowerment, and has numerous successful cases of industrial investment and incubation in the fields of advanced manufacturing and medical health. The investment size of Genertec VC Company is over RMB4 billion.

Guoyao Zhongsheng and Shengcheng Investment

Guoyao Zhongsheng is a limited partnership established in the PRC and whose executive partner is Shanghai Jianyi Private Equity Management Co., Ltd. (上海健壹私募基金管理有限公司) ("**Jianyi Private Equity**"). The investments made by Jianyi Private Equity mainly focuses on healthcare industry. Shengcheng Investment is a limited partnership established in the PRC and whose executive partner is WU Aimin (吳愛民). Shengcheng Investment is a private equity company focusing on biotech industry.

Tianjin Panya

Tianjin Panya is a limited partnership established under the laws of PRC and whose executive partner is Tianjin Yingya Equity Investment Fund Management Co., Ltd. (天津盈亞股權投資基金管理有限責任公司). Tianjin Panya is a private equity company focusing on medical technology innovation and bio-pharmaceutical research and development. The investment size managed by it is over RMB294 million.

Jiaxing Yaotong and Jiaxing Yaojin

Each of Jiaxing Yaotong and Jiaxing Yaojin is a limited partnership established under the laws of PRC and whose executive partner is Beijing Chengming Private Equity Fund Management Co., Ltd. (北京成銘私募基金管理有限公司) ("**Chengming Private Equity Fund**"), which is ultimately controlled by LONG Xuewu (隆學武), an Independent Third Party. Jiaxing Yaotong and Jiaxing Yaojin are investment vehicles for the purpose of investments in our Company. Chengming Private Equity Fund was established on July 23, 2020, with its office located in Xicheng District, Beijing. It is a registered fund manager with a registered capital of RMB20 million. With the mission of "industrial investment + industrial integration", Chengming Private Equity Fund mainly focuses on investments in strategic emerging industries such as life health, new energy, and new materials.

To the best knowledge and information of our Directors, the Pre-**[REDACTED]** Investors decided to invest in our Company due to their confidence in the prospects of our Company and potentials, and their investment reflects their financial and experiential support for the development of our Group. To the best knowledge of our Directors, save as disclosed above, all our Pre-**[REDACTED]** Investors and their ultimate beneficial owners are all Independent Third Parties.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the considerations for the Pre-**[REDACTED]** Investments have been irrevocably settled no less than 120 clear days before the **[REDACTED]**, and (ii) the special rights granted to the Pre-**[REDACTED]** Investors have been or will be terminated as disclosed in "– Pre-**[REDACTED]** Investors' Rights" above, the Joint Sponsors confirm that the Pre-**[REDACTED]** Investments are in compliance with the Pre-**[REDACTED]** Investment Guidance in Chapter 4.2 of the Guide for New Listing Applicants.

MAJOR ACQUISITIONS, MERGERS AND DISPOSALS

For the purpose of developing overseas business through exploring opportunities of investing in research and development of radiopharmaceutical drug candidates, we entered into a share subscription agreement with Enigma Biomedical Group, Inc., ("**Enigma**"), an Independent Third Party which focuses on molecular imaging and medicine, dated November 12, 2015, pursuant to which we ultimately acquired 16.53% of the equity interest in Enigma.

On February 5, 2016, we, jointly with Enigma and other Independent Third Parties, established Cerveau, which holds MK-6240 (also known as XTR-006), with the purposes, among others, to carry out new drugs research and development globally. After years of development, favorable commercial terms of acquisition of Cerveau were offered by Lantheus Medical Imaging, Inc., ("**Lantheus**"), a company whose shares are listed on NASDAQ (stock code: LNTH). On February 6, 2023, among others, we and Enigma (together as the "**Vendors**") and Cerveau entered to a share purchase agreement with Lantheus, pursuant to which our Group agreed to transfer our entire equity interests held in Cerveau of approximately 36.07% to Lantheus for the consideration of (i) upfront payments, (ii) additional development and commercial milestone payments, and (iii) royalty payments for research revenue and commercial sales. As of March 31, 2025, we have received an aggregated payment of approximately US$16 million. Upon completion of the disposal, we no longer held any equity interests in Cerveau.

With the development of Enigma, we considered that it would be more consistent with our business development strategy and of optimized synergies with our business for us to invest in radiopharmaceuticals candidate research and development instead of the then diversified business of Enigma. After commercial negotiation with Enigma, Enigma agreed to repurchase all of our equity interests in Enigma for a consideration based on nominal value of the shares of Enigma, and we agreed to acquire equity interests in Meilleur, an affiliate company of Enigma which holds NAV-4694, based on nominal value of the shares of Meilleur. Upon completion of above transactions, we no longer held any equity interests in Enigma and held approximately 31.46% in Meilleur.

On June 18, 2024, we, other shareholders of Meilleur (together as the "**Meilleur Shareholders**") and Lantheus entered into a share purchase agreement, pursuant to which, we agreed to transfer all of our approximately 29.45% equity interests then held in Meilleur to Lantheus for the consideration of (i) upfront payment, (ii) additional milestone payments, (iii) milestone payments and (iv) royalty payments upon achievement of certain milestones. As of March 31, 2025, we have received an aggregated payment of approximately US$10.2 million. Upon completion of the disposal, we no longer held any equity interests in Meilleur.

Save as disclosed above and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers or disposals.

COMPLIANCE WITH LAWS AND REGULATIONS

As advised by our PRC Legal Advisors, our Company and onshore subsidiaries have obtained the requisite government approvals or filings in all material respects, as applicable, in accordance with the relevant laws and regulations in respect of the establishment, changes in registered capital, joint stock conversion and transfers of equity interests.

FULL CIRCULATION

Our Company has applied for H-share full circulation to convert certain of the Unlisted Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 34,466,214 Unlisted Shares held by 95 existing Shareholders, representing approximately **[REDACTED]**% of total issued Share capital of our Company upon the completion of the conversion of Unlisted Shares into H Shares and the **[REDACTED]** (assuming the **[REDACTED]** are not exercised).

Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares. See "Share Capital" in this document for further details.

PUBLIC FLOAT

24,582,400 Unlisted Shares, representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares.

Among the 34,466,214 H Shares to be converted from Unlisted Shares pursuant to the H-share full circulation of our Company and the **[REDACTED]** on the Stock Exchange:

(i) 11,482,769 H Shares to be converted from Unlisted Shares held by (i) the AIC Parties and the Employee Shareholding Platforms; (ii) Zhang Yingjie and his controlled corporations, i.e. Wuming Futian, Mingde Weixin No. 1, Mingde Weixin No. 7, Mingde Weixin No. 9, Wuming Boji and Jiaxing Weixin; (iii) Guotou Guangdong, a substantial shareholder of our subsidiary; and (iv) LIU Rui (劉瑞), a supervisor of our subsidiary, representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the **[REDACTED]** as such Shares are being held or controlled by the core connected persons of our Company; and

(ii) 22,983,445 H Shares to be converted from Unlisted Shares, representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the **[REDACTED]** as these entities are not held or controlled by the core connected persons of our Company upon the **[REDACTED]** nor are they accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

To the best knowledge of our Directors, save as disclosed above, immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares into H Shares, an aggregate of **[REDACTED]** H Shares, representing approximately **[REDACTED]**% of our total issued Shares will be counted towards the public float, which is in compliance with the requirement under Rule 8.08 of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of May 23, 2025 and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):

	As of May 23, 2025			Immediately upon completion of the [REDACTED]		
Name of Shareholders	No. of Shares	Description of Shares	Approximate ownership percentage	No. of Shares	Description of Shares	Approximate Ownership percentage[1]
Mr. Xu	6,686,142	Unlisted Shares	11.32%	3,343,071	H Shares	**[REDACTED]**%
				3,343,071	Unlisted Shares	
Jiangsu Jiequan	5,918,762	Unlisted Shares	10.02%	2,959,381	H Shares	**[REDACTED]**%
				2,959,381	Unlisted Shares	
GoldStone New Material Fund	4,552,894	Unlisted Shares	7.71%	2,276,447	H Shares	**[REDACTED]**%
				2,276,447	Unlisted Shares	
CICC Qide	2,328,804	Unlisted Shares	3.94%	1,164,402	H Shares	**[REDACTED]**%
				1,164,402	Unlisted Shares	
Pharmaceutical Fund	2,276,447	Unlisted Shares	3.86%	1,138,224	H Shares	**[REDACTED]**%
				1,138,223	Unlisted Shares	
Tongfu Fund	1,889,100	Unlisted Shares	3.20%	944,550	H Shares	**[REDACTED]**%
				944,550	Unlisted Shares	
Beijing Sinotau Juxin	1,775,726	Unlisted Shares	3.01%	887,863	H Shares	**[REDACTED]**%
				887,863	Unlisted Shares	
China Structural Reform Fund II	1,707,335	Unlisted Shares	2.89%	1,707,335	H Shares	**[REDACTED]**%
				–	Unlisted Shares	
Hetang Innovation	1,605,144	Unlisted Shares	2.72%	802,572	H Shares	**[REDACTED]**%
				802,572	Unlisted Shares	
Nanjing Zhengkai	1,598,749	Unlisted Shares	2.71%	1,598,749	H Shares	**[REDACTED]**%
				–	Unlisted Shares	
Xue Fei	1,453,183	Unlisted Shares	2.46%	726,592	H Shares	**[REDACTED]**%
				726,591	Unlisted Shares	
Chu Wei	1,157,318	Unlisted Shares	1.96%	578,659	H Shares	**[REDACTED]**%
				578,659	Unlisted Shares	
Qiming Rongxin	1,151,442	Unlisted Shares	1.95%	575,721	H Shares	**[REDACTED]**%
				575,721	Unlisted Shares	
Guotou Guangdong	1,138,223	Unlisted Shares	1.93%	–	H Shares	**[REDACTED]**%
				1,138,223	Unlisted Shares	
Genertec VC Company	1,138,223	Unlisted Shares	1.93%	–	H Shares	**[REDACTED]**%
				1,138,223	Unlisted Shares	
Wuming Futian	1,133,459	Unlisted Shares	1.92%	566,730	H Shares	**[REDACTED]**%
				566,729	Unlisted Shares	
Guoyao Zhongsheng	1,124,463	Unlisted Shares	1.90%	562,232	H Shares	**[REDACTED]**%
				562,231	Unlisted Shares	
Mingde Weixin No. 9	964,114	Unlisted Shares	1.63%	964,114	H Shares	**[REDACTED]**%
				–	Unlisted Shares	
Zhang Yingjie	936,934	Unlisted Shares	1.59%	468,467	H Shares	**[REDACTED]**%
				468,467	Unlisted Shares	
Liu Shuang	868,378	Unlisted Shares	1.47%	434,189	H Shares	**[REDACTED]**%
				434,189	Unlisted Shares	

	As of May 23, 2025			Immediately upon completion of the [REDACTED]		
Name of Shareholders	No. of Shares	Description of Shares	Approximate ownership percentage	No. of Shares	Description of Shares	Approximate Ownership percentage[1]
Beijing Sinotau Juli	864,054	Unlisted Shares	1.46%	432,027	H Shares	[REDACTED]%
				432,027	Unlisted Shares	
Tianjin Sinotau Juzhi	799,557	Unlisted Shares	1.35%	399,779	H Shares	[REDACTED]%
				399,778	Unlisted Shares	
Tianjin Sinotau Juneng	799,556	Unlisted Shares	1.35%	399,779	H Shares	[REDACTED]%
				399,777	Unlisted Shares	
Tianjin Panya	784,920	Unlisted Shares	1.33%	784,920	H Shares	[REDACTED]%
				–	Unlisted Shares	
Ms. Tang	740,032	Unlisted Shares	1.25%	370,016	H Shares	[REDACTED]%
				370,016	Unlisted Shares	
Wuming Boji	725,634	Unlisted Shares	1.23%	725,634	H Shares	[REDACTED]%
				–	Unlisted Shares	
Maotai GoldStone Fund	717,397	Unlisted Shares	1.21%	358,699	H Shares	[REDACTED]%
				358,698	Unlisted Shares	
Deyi Xinhua	575,030	Unlisted Shares	0.97%	575,030	H Shares	[REDACTED]%
				–	Unlisted Shares	
CITIC Securities	569,112	Unlisted Shares	0.96%	569,112	H Shares	[REDACTED]%
				–	Unlisted Shares	
Wuxi Guolian	569,112	Unlisted Shares	0.96%	284,556	H Shares	[REDACTED]%
				284,556	Unlisted Shares	
Guoke Dingzhi	566,730	Unlisted Shares	0.96%	566,730	H Shares	[REDACTED]%
				–	Unlisted Shares	
Jilin Xinsheng	512,201	Unlisted Shares	0.87%	512,201	H Shares	[REDACTED]%
				–	Unlisted Shares	
Guangfa Qianhe	498,770	Unlisted Shares	0.84%	349,139	H Shares	[REDACTED]%
				149,631	Unlisted Shares	
Li Jianxin	484,048	Unlisted Shares	0.82%	484,048	H Shares	[REDACTED]%
				–	Unlisted Shares	
Longshen No. 6	465,761	Unlisted Shares	0.79%	465,761	H Shares	[REDACTED]%
				–	Unlisted Shares	
Wuxi Shanghang	432,416	Unlisted Shares	0.73%	432,416	H Shares	[REDACTED]%
				–	Unlisted Shares	
Jiaxing Yaotong	420,594	Unlisted Shares	0.71%	126,178	H Shares	[REDACTED]%
				294,416	Unlisted Shares	
Chongqing Hetang	363,876	Unlisted Shares	0.62%	181,938	H Shares	[REDACTED]%
				181,938	Unlisted Shares	
Beijing Sinotau Juhui	361,711	Unlisted Shares	0.61%	180,856	H Shares	[REDACTED]%
				180,855	Unlisted Shares	
Zhuxi Healthcare	341,467	Unlisted Shares	0.58%	–	H Shares	[REDACTED]%
				341,467	Unlisted Shares	
Panshi Zhenhe	318,703	Unlisted Shares	0.54%	318,703	H Shares	[REDACTED]%
				–	Unlisted Shares	
Jiaxing Yaojin	310,280	Unlisted Shares	0.53%	155,140	H Shares	[REDACTED]%
				155,140	Unlisted Shares	

	As of May 23, 2025			Immediately upon completion of the [REDACTED]		
Name of Shareholders	No. of Shares	Description of Shares	Approximate ownership percentage	No. of Shares	Description of Shares	Approximate Ownership percentage[1]
Cheng Haowen	287,190	Unlisted Shares	0.49%	287,190	H Shares	[REDACTED]%
				–	Unlisted Shares	
Zhizheng VC	273,174	Unlisted Shares	0.46%	273,174	H Shares	[REDACTED]%
				–	Unlisted Shares	
Qiming Rongchuang	270,092	Unlisted Shares	0.46%	135,046	H Shares	[REDACTED]%
				135,046	Unlisted Shares	
Qi Hui	268,700	Unlisted Shares	0.46%	134,350	H Shares	[REDACTED]%
				134,350	Unlisted Shares	
Mingde Weixin No. 1	262,268	Unlisted Shares	0.44%	262,268	H Shares	[REDACTED]%
				–	Unlisted Shares	
Liu Rui	241,505	Unlisted Shares	0.41%	181,129	H Shares	[REDACTED]%
				60,376	Unlisted Shares	
Langma No. 36	232,880	Unlisted Shares	0.39%	232,880	H Shares	[REDACTED]%
				–	Unlisted Shares	
Mingde Weixin No. 7	230,470	Unlisted Shares	0.39%	230,470	H Shares	[REDACTED]%
				–	Unlisted Shares	
Nanjing Enjie VC	227,645	Unlisted Shares	0.39%	227,645	H Shares	[REDACTED]%
				–	Unlisted Shares	
Zhongshan Talent	227,645	Unlisted Shares	0.39%	–	H Shares	[REDACTED]%
				227,645	Unlisted Shares	
Zhongshan Jintou	227,645	Unlisted Shares	0.39%	227,645	H Shares	[REDACTED]%
				–	Unlisted Shares	
Rural Industry Fund	227,645	Unlisted Shares	0.39%	227,645	H Shares	[REDACTED]%
				–	Unlisted Shares	
Wanlong Investment	226,237	Unlisted Shares	0.38%	226,237	H Shares	[REDACTED]%
				–	Unlisted Shares	
Jiaxing Weixin	205,235	Unlisted Shares	0.35%	102,618	H Shares	[REDACTED]%
				102,617	Unlisted Shares	
Jiangsu Wangao	188,910	Unlisted Shares	0.32%	188,910	H Shares	[REDACTED]%
				–	Unlisted Shares	
Wang Peng	188,316	Unlisted Shares	0.32%	94,158	H Shares	[REDACTED]%
				94,158	Unlisted Shares	
Zou Xianghong	169,477	Unlisted Shares	0.29%	84,800	H Shares	[REDACTED]%
				84,677	Unlisted Shares	
Mu Tianzhi	169,477	Unlisted Shares	0.29%	84,500	H Shares	[REDACTED]%
				84,977	Unlisted Shares	
Yuanhui Ruize	155,254	Unlisted Shares	0.26%	55,254	H Shares	[REDACTED]%
				100,000	Unlisted Shares	
Mao Ruijuan	147,445	Unlisted Shares	0.25%	147,445	H Shares	[REDACTED]%
				–	Unlisted Shares	
Zhang Di'ou	135,582	Unlisted Shares	0.23%	135,582	H Shares	[REDACTED]%
				–	Unlisted Shares	
Boyu Zhiyuan	117,920	Unlisted Shares	0.20%	58,960	H Shares	[REDACTED]%
				58,960	Unlisted Shares	

	As of May 23, 2025			Immediately upon completion of the [REDACTED]		
Name of Shareholders	No. of Shares	Description of Shares	Approximate ownership percentage	No. of Shares	Description of Shares	Approximate Ownership percentage[1]
Boyu Kuntong	114,619	Unlisted Shares	0.19%	57,310	H Shares	[REDACTED]%
				57,309	Unlisted Shares	
Zhuhai Chunxiao	113,822	Unlisted Shares	0.19%	56,911	H Shares	[REDACTED]%
				56,911	Unlisted Shares	
Boyu Kexing	108,928	Unlisted Shares	0.18%	54,464	H Shares	[REDACTED]%
				54,464	Unlisted Shares	
Yizhuang Investment	103,502	Unlisted Shares	0.18%	103,502	H Shares	[REDACTED]%
				–	Unlisted Shares	
LI Yinqiang (李銀強)	94,193	Unlisted Shares	0.16%	94,193	H Shares	[REDACTED]%
				–	Unlisted Shares	
LI Guangyao (李光耀)	23,899	Unlisted Shares	0.04%	11,950	H Shares	[REDACTED]%
				11,949	Unlisted Shares	
YANG Xuejuan (楊雪娟)	22,961	Unlisted Shares	0.04%	22,961	H Shares	[REDACTED]%
				–	Unlisted Shares	
YANG Ke (楊克)	14,009	Unlisted Shares	0.02%	7,009	H Shares	[REDACTED]%
				7,000	Unlisted Shares	
LIAO Jidong (廖繼東)	11,949	Unlisted Shares	0.02%	–	H Shares	[REDACTED]%
				11,949	Unlisted Shares	
YAO Yizhu (姚奕竹)	11,907	Unlisted Shares	0.02%	5,000	H Shares	[REDACTED]%
				6,907	Unlisted Shares	
Tongzi Zhongzhi (通資眾智)	11,382	Unlisted Shares	0.02%	–	H Shares	[REDACTED]%
				11,382	Unlisted Shares	
WAN Xiaojun (萬小軍)	11,303	Unlisted Shares	0.02%	7,703	H Shares	[REDACTED]%
				3,600	Unlisted Shares	
Jinyi Hongda	10,472	Unlisted Shares	0.02%	5,236	H Shares	[REDACTED]%
				5,236	Unlisted Shares	
DONG Xiantao (董顯濤)	9,420	Unlisted Shares	0.02%	4,710	H Shares	[REDACTED]%
				4,710	Unlisted Shares	
YAO Yabiao (姚亞彪)	9,419	Unlisted Shares	0.02%	9,419	H Shares	[REDACTED]%
				–	Unlisted Shares	
CHEN Yanfeng (陳豔鋒)	9,419	Unlisted Shares	0.02%	9,419	H Shares	[REDACTED]%
				–	Unlisted Shares	
Shengcheng Investment	8,996	Unlisted Shares	0.02%	4,498	H Shares	[REDACTED]%
				4,498	Unlisted Shares	
ZHANG Xusheng (張旭升)	7,170	Unlisted Shares	0.01%	3,585	H Shares	[REDACTED]%
				3,585	Unlisted Shares	
ZHAO Lihong (趙麗虹)	4,780	Unlisted Shares	0.01%	2,390	H Shares	[REDACTED]%
				2,390	Unlisted Shares	
ZHANG Jinqian (張近前)	4,710	Unlisted Shares	0.01%	4,710	H Shares	[REDACTED]%
				–	Unlisted Shares	
MA Donghua (馬冬花)	3,768	Unlisted Shares	0.01%	3,768	H Shares	[REDACTED]%
				–	Unlisted Shares	
GUO Zhiying (郭志穎)	3,768	Unlisted Shares	0.01%	2,260	H Shares	[REDACTED]%
				1,508	Unlisted Shares	

	As of May 23, 2025			Immediately upon completion of the [REDACTED]		
Name of Shareholders	No. of Shares	Description of Shares	Approximate ownership percentage	No. of Shares	Description of Shares	Approximate Ownership percentage[1]
LI Changju (李昌菊)	3,585	Unlisted Shares	0.01%	3,585	H Shares	[REDACTED]%
				–	Unlisted Shares	
LIU Yiqun (劉一群)	3,585	Unlisted Shares	0.01%	3,585	H Shares	[REDACTED]%
				–	Unlisted Shares	
LI Heng (李恒)	2,826	Unlisted Shares	0.005%	2,826	H Shares	[REDACTED]%
				–	Unlisted Shares	
LV Yingying (呂英英)	2,826	Unlisted Shares	0.005%	1,413	H Shares	[REDACTED]%
				1,413	Unlisted Shares	
HAO Jin (郝晉)	2,390	Unlisted Shares	0.004%	2,390	H Shares	[REDACTED]%
				–	Unlisted Shares	
ZHANG Zhixin (張志新)	1,884	Unlisted Shares	0.003%	1,884	H Shares	[REDACTED]%
				–	Unlisted Shares	
LI Xiangping (李湘平)	1,195	Unlisted Shares	0.002%	1,195	H Shares	[REDACTED]%
				–	Unlisted Shares	
LIU Xuehu (劉學虎)	1,195	Unlisted Shares	0.002%	1,195	H Shares	[REDACTED]%
				–	Unlisted Shares	
PENG Sha (彭莎)	1,195	Unlisted Shares	0.002%	1,195	H Shares	[REDACTED]%
				–	Unlisted Shares	
CAO Fengqi (曹峰琦)	1,179	Unlisted Shares	0.002%	1,179	H Shares	[REDACTED]%
				–	Unlisted Shares	
YANG Lifeng (楊麗鳳)	1,093	Unlisted Shares	0.002%	1,093	H Shares	[REDACTED]%
				–	Unlisted Shares	
ZHAO Rongrong (趙融融)	984	Unlisted Shares	0.002%	984	H Shares	[REDACTED]%
				–	Unlisted Shares	
ZHANG Xiaoju (張曉菊)	942	Unlisted Shares	0.002%	–	H Shares	[REDACTED]%
				942	Unlisted Shares	
ZHANG Ying (張英)	942	Unlisted Shares	0.002%	942	H Shares	[REDACTED]%
				–	Unlisted Shares	
LIU Yue (劉躍)	942	Unlisted Shares	0.002%	942	H Shares	[REDACTED]%
				–	Unlisted Shares	
LUAN Tian (欒天)	942	Unlisted Shares	0.002%	942	H Shares	[REDACTED]%
				–	Unlisted Shares	
Subtotal	**59,048,614**	**–**	**100%**	**34,466,214**	**H Shares to be converted from Unlisted Shares**	[REDACTED]%
				24,582,400	**Unlisted Shares**	[REDACTED]%
[REDACTED] Shareholders	**–**	**–**	**–**	**[REDACTED]**	**H Shares**	[REDACTED]%
				[REDACTED]	**H Shares**	[REDACTED]%
				24,582,400	**Unlisted Shares**	[REDACTED]%
Total	**59,048,614**	**–**	**100%**	**[REDACTED]**	**–**	**100%**

Note:

1. The calculation is based on the total number of 24,582,400 Unlisted Shares and **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (without taking into account the H Shares to may be issued upon the exercise of the **[REDACTED]**).

PROPOSED A SHARE LISTING

We intended to apply for listing on the Science and Technology Board of Shanghai Stock Exchange previously. Our Company entered into a tutoring agreement with China International Capital Corporation Limited in preparation for the A share listing application on the Science and Technology Board of Shanghai Stock Exchange and published a tutoring filing (上市輔導備案) with the Beijing Regulatory Bureau of the CSRC (中國證券監督管理委員會北京監管局) in February 2023 and eight tutoring progress reports (輔導進展情況報告) during the period from July 2023 to April 2025 (the "**Proposed A Share Listing**"). Such tutoring filing and tutoring progress reports did not constitute a listing application with the CSRC.

To further expand our global business and considering that the Stock Exchange would provide us with an international platform to access foreign capital and attract diverse overseas investors, our Company voluntarily decided to pursue the **[REDACTED]** in Hong Kong.

Our Directors confirmed that there are no other matters relating to the Proposed A Share Listing that may affect our Company's suitability for **[REDACTED]** on the Stock Exchange or that are required to be brought to the attention of the Stock Exchange and investors.

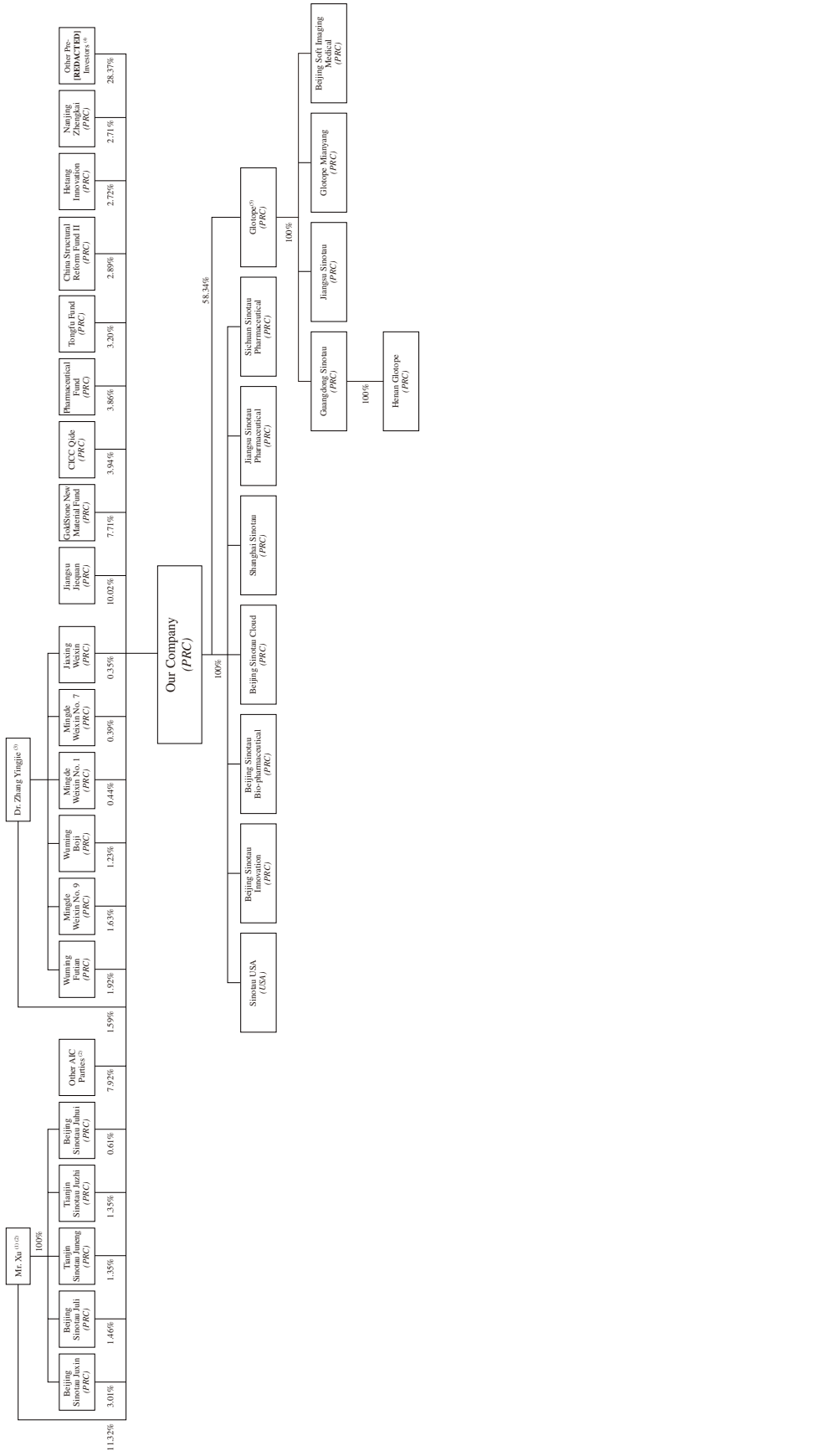
Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above.

We may conduct an offering and listing of A shares at an appropriate time after the **[REDACTED]**. We have not submitted any application to any recognized stock exchange in the PRC for approval of A share listing as of the Latest Practicable Date. There is no assurance that we will conduct an A share offering in the future.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Corporate Structure Immediately Before Completion of the [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before completion of the **[REDACTED]**:



Notes:

(1) Each of the Employee Shareholding Platforms is managed by Mr. Xu as their respective executive partner.

(2) Pursuant to the Concert Party Agreement entered into among Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Tang Yanmin, Qi Hui and Wang Peng on July 20, 2020, they have agreed to act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this document.

(3) Each of Wuming Futian, Mingde Weixin No. 9, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is a limited liability partnership established in the PRC whose executive partner is Shenzhen Wuming Investment, a company which is ultimately controlled by Dr. Zhang, our non-executive Director. The executive partner of Wuming Boji is Shenzhen Wuming Boji Equity Investment Management (L.P.) (Limited Partnership) (深圳市物明博濟股權投資管理合夥企業(有限合夥)), whose executive partner is Shenzhen Wuming Investment.

(4) As of May 23, 2025, the Other Pre-**[REDACTED]** Investors include:

  (i) Qiming Rongxin, which held approximately 1.95% of our total issued Shares;

  (ii) Guotou Guangdong, which held approximately 1.93% of our total issued Shares;

  (iii) Genertec VC Company, which held approximately 1.93% of our total issued Shares;

  (iv) Guoyao Zhongsheng, which held approximately 1.90% of our total issued Shares;

  (v) Tianjin Panya, which held approximately 1.33% of our total issued Shares;

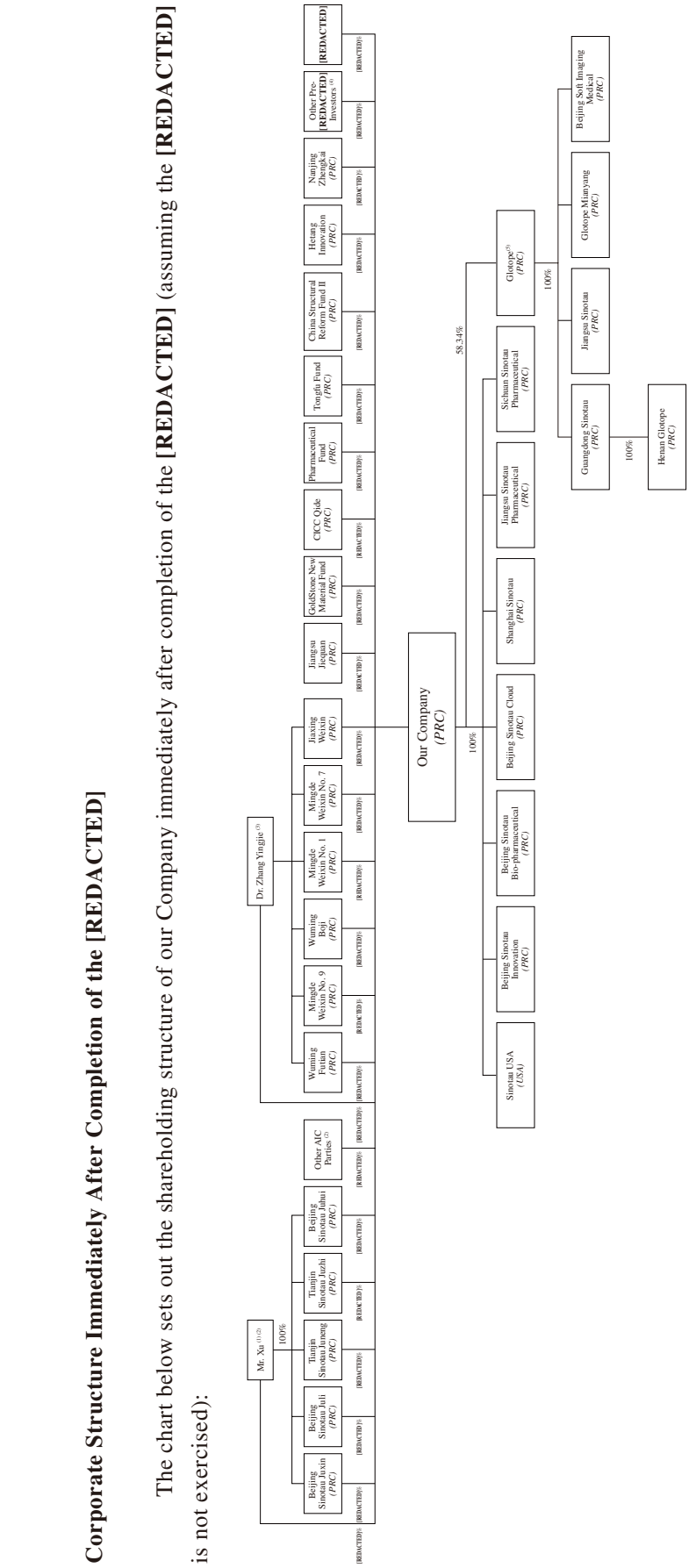
  (vi) Maotai GoldStone Fund, which held approximately 1.21% of our total issued Shares; and

  (vii) other 68 Shareholders, each of which held less than 1% of our total issued Shares, for shareholding details of such Shareholders, see paragraph headed "Capitalization of Our Company" in this section.

(5) Glotope is a limited liability company established under the laws of the PRC in June 2019 and has been principally engaged in provision of CRO/CDMO services. With the optimistic view on the future development of the industry and recognition of Glotope's development and potential and management team, Glotope underwent several rounds of capital increases. As of the Latest Practicable Date, Glotope was owned as to approximately 58.34%, 21.73%, 3.26%, 3.26% and 13.41% by our Company, Guotou Innovation Fund, Guotong Juli, Guotong Juneng and other six Independent Third Party investors, respectively. Pursuant to the shareholders' agreement entered into between, among others, Glotope and its shareholders dated December 26, 2024, Guotou Innovation Fund and other six Independent Third Party investors had certain special rights pertaining to Glotope, which included, among others, director nomination right, redemption right, pre-emptive right, anti-dilution right tag-along right, drag-along right and information right, etc. All such special rights are limited to Glotope and none of such rights enables any minority shareholders of Glotope to obtain any Share of our Company or any share of other subsidiaries of our Company.

Corporate Structure Immediately After Completion of the [REDACTED]

The chart below sets out the shareholding structure of our Company immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Note: see the notes to" – Corporate Structure Immediately Before Completion of the **[REDACTED]**" in this section.

OVERVIEW

We are a front-runner and leader in the radiopharmaceutical market in China dedicated to the development and commercialization of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class. According to CIC, we are the first in China to (i) obtain marketing approval for an innovative radiopharmaceutical; (ii) obtain manufacturing approval for an innovative radiopharmaceutical as a MAH; and (iii) complete a registrational clinical trial for a therapeutic radioligand with an NDA accepted by the NMPA.

With deep roots in China and a global vision, we have established end-to-end capabilities from radionuclide development and production, radiopharmaceutical research and development, to radiopharmaceutical manufacturing and commercialization. We are among the first radiopharmaceutical companies in China and one of the few globally to achieve full-industry-chain integration, according to CIC. We believe this allows us to create strong competitive edge and well positions us to seize the immense growth opportunities in the radiopharmaceutical industry characterized by significant technical and regulatory barriers to entry.

The global radiopharmaceutical industry is on the cusp of explosive growth. According to CIC, the market size of global radiopharmaceutical industry is expected to increase from US$9.7 billion in 2024 to US$57.3 billion in 2035, representing a CAGR of 17.5%. China's radiopharmaceutical market remains in a nascent stage of development and is significantly under-penetrated. Riding on the recent trend of transformative advancements, the radiopharmaceutical market in China is approaching a growth inflection point with its market size projected to increase at a CAGR of 23.5% from RMB7.4 billion in 2024 to RMB75.8 billion in 2035, according to CIC.

With strategic foresight and extensive industry experience and expertise, we have rationally designed and built a comprehensive, differentiated and synergistic product matrix with significant potential in radiotheranostics. Our pipeline is centered around three areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases, comprising 15 assets as of the Latest Practicable Date. Among them, three were in commercial or near-commercial stage, including XTR005 (歐韋寧®) (the first and only approved PET diagnostic radioligand targeting an AD biomarker in China and the first innovative PET tracer to obtain marketing approval in China during the past 20 years, according to CIC), eight were in clinical or IND-enabling stage and four were under IITs or preclinical studies. In particular, our pipeline includes four potential first-in-class or best-in-class assets and four assets developed based on top five best-selling radiopharmaceuticals globally in 2024, underscoring the strong competitiveness of our pipeline. Our pipeline is strategically structured with a complementary mix of diagnostic and therapeutic radioligands, encompassing both validated targets and radionuclides as well as emerging targets and radionuclides. We believe such a staggered pipeline could offer a balance in development risks and continuous innovations, enabling our commercialized assets to support the advancement of our early-stage candidates.

The following chart illustrates our product pipeline and summarizes the status of our commercialized product, as well as our selected product candidates under development, as of the Latest Practicable Date:

	Candidate (Trade Name)	Radio-nuclide	Target	Indication (Line of Treatment)	Development Stage[3]	Commercial Rights[4]	Next Milestone
Oncology	★ XTR008	^{177}Lu	SSTR	G1/G2 GEP-NETs	NDA Submitted	Global	To obtain NDA approval in 2026
				G3 GEP-NETs/PPGL/NENs of other origins	Phase II trial ongoing	Global	To complete Ph II in 2026
	XTR015	^{64}Cu	SSTR	NETs	Phase III trial in preparation	Global	To complete Ph III in 2026
	XTR024	^{225}Ac	SSTR	G1/G2 GEP-NETs that have failed ^{177}Lu-SSTR treatment/G3 NETs/NECs	IIT ongoing	Global	To submit IND application in 2026
				ES-SCLC	IIT ongoing	Global	To submit IND application in 2026
	XTR010	^{177}Lu	PSMA	mCRPC (≥2L)	Phase I/II trial ongoing	Global	To complete Ph I in 2025
	XTR020	^{18}F	PSMA	Prostate cancer	Phase III trial ongoing	China	To complete Ph III in 2026
	XTR021	^{177}Lu	PSMA	mCRPC (≥2L)	IIT ongoing	Global	To submit IND application in 2026
				mCRPC (1L)	IIT ongoing	Global	To submit IND application in 2026
	XTR022	^{225}Ac	PSMA	mCRPC that have failed ^{177}Lu-PSMA treatment	IIT ongoing	Global	To submit IND application in 2027
				mCRPC (≥2L)	IIT ongoing	Global	To submit IND application in 2027
	XTR016	^{64}Cu	FAP	Advanced solid tumors	IND approval received	Global	To enter Ph I in 2025
	XTR017	^{177}Lu	FAP	Advanced solid tumors	IND approval received	Global	To enter Ph I in 2026
	XTR012[1]	^{223}Ra	Phosphate	Bone metastases from prostate cancer	ANDA submitted	Global	To obtain ANDA approval in 2026
	XTR025	^{177}Lu	Undisclosed	Glioblastoma	IIT ongoing	Global	To submit IND application in 2027
NDD	XTR005 (歐華寧®)	^{18}F	Aβ	AD	Marketing approval received	China	/
	★ XTR006	^{18}F	Tau	AD	Phase III trial ongoing	China	To complete Ph III in 2027
CVD	★ XTR004	^{18}F	Mitochondrial complex I	Detection of myocardial ischemia	Phase II trial completed	Global	To enter Ph III in 2025
				Detection of coronary microcirculatory dysfunction		Global	To submit IND application in 2026
	★ XTR003	^{18}F	FFA[2]	Detection of myocardial viability/metabolism	Phase IIb trial to initiate	Global	To enter Phase IIb in 2025

★ Core Product Therapeutic Diagnostic

Abbreviations: NDD = neurodegenerative disease; CVD = cardiovascular disease; SSTR = somatostatin receptor; PPGL = pheochromocytoma and paraganglioma; PSMA = prostate-specific membrane antigen; FAP = fibroblast activation protein; Aβ = β-amyloid; Tau = tubulin associated unit; FFA = free fatty acids; NETs = neuroendocrine tumors; GEP-NETs = gastroenteropancreatic neuroendocrine tumors; NEN = neuroendocrine neoplasm; NEC = neuroendocrine carcinomas; ES-SCLC = extensive-stage small cell lung cancer; mCRPC = metastatic castration-resistant prostate cancer; 2L = second-line treatment; AD = Alzheimer's disease; IND = investigational new drug; IIT = investigator initiated trial; Ph = Phase; NDA = new drug application; ANDA = abbreviated new drug application.

Notes:

(1) XTR012 is the only product candidate in our pipeline that is not a radioligand. It consists of ^{223}Ra-dichloride, a calcium mimetic with a natural affinity for bone tissue. Additionally, as a generic version of Xofigo® by Bayer, XTR012 is the only candidate in our pipeline that does not require clinical trials to demonstrate safety and efficacy for marketing approval. It is therefore the only candidate in our pipeline eligible for approval through the ANDA pathway.

(2) The targeting ligand of XTR003 is a free fatty acid analog that leverages the myocardium's fatty acid metabolism to assess myocardial viability. XTR003 enters cardiac cells through fatty acid transport proteins and CD36 receptors, both of which play key roles in mediating the uptake of free fatty acids into myocardial tissue.

(3) As of the Latest Practicable Date, all of our pipeline products were marketed or under development in China. Certain clinical stages of our product candidates, including XTR008, XTR006, XTR015, XTR012 and XTR020, were not required by the NMPA. For details regarding the clinical development process and material communications with the NMPA, see "– Material Communications with Competent Authorities" and "– Summary of Clinical Trial (Results)" under the introduction of each product candidate.

(4) We have entered into collaboration agreements with multiple partners, including Life Molecular Imaging Ltd., INPC, Cerveau, Beijing Normal University, and BED, regarding intellectual property rights of commercialized product XTR005, as well as the product candidates XTR008, XTR006, XTR004, and XTR020. In addition, we also entered into an agreement with an Independent Third Party to in-license exclusive global rights related to XTR010. For details concerning the terms of the collaboration agreements related to our Core Products XTR008, XTR006 and XTR004, see "– Collaboration Arrangements." For additional information regarding the collaboration arrangements related to XTR010, XTR020 and XTR005, see "– Product Candidates – XTR010 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy – Licenses, Rights and Obligations", "– Product Candidates – XTR020 – ^{18}F-labeled PSMA-targeted PET Tracer – Licenses, Rights and Obligations," and "– Marketed Products – XTR005," respectively.

Source: Company data

Below is an introduction of our Core Products:

- **XTR008.** XTR008, a Core Product, is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. As potentially the first SSTR-targeted therapeutic radioligand in China, we submitted an NDA to the NMPA in March 2025 based on the completed interim analysis of a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, G1 or G2 SSTR-positive GEP-NETs in China. The NDA was accepted by the NMPA in April 2025, and we expect to receive NDA approval in 2026.

  As of the Latest Practicable Date, Lutathera® developed by Novartis remained the only globally approved therapeutic radioligand for SSTR-targeted GEP-NET. As the second best-selling therapeutic radioligand globally in 2024, the global sales of Lutathera® increased from US$167 million in 2018 to US$724 million in 2024, with a CAGR of 27.7%. The global SSTR-targeted therapeutic radioligand market is projected to reach US$3.4 billion in 2035 with a CAGR of 15.0% from 2024 to 2035, according to CIC. Following the anticipated approval of the first SSTR-targeted therapeutic radioligand in China (namely, our XTR008) in 2026, the market in China is expected to grow rapidly and reach RMB5.4 billion in 2035, according to CIC.

  We have observed remarkable efficacy and safety of XTR008 in our registrational Phase III clinical trial. Results of the clinical trial demonstrated that the XTR008 treatment group significantly outperformed the control group receiving standard treatment of high-dose somatostatin LAR in terms of multiple efficacy indicators, including PFS and ORR. Meanwhile, the Phase III clinical trial of XTR008 demonstrated PFS and other efficacy indicators similar to or more favorable than those observed in the Phase III NETTER-1 trial for Lutathera®. Specifically, in the Phase III clinical trial of XTR008, the median PFS was not reached in the treatment group, compared to 5.8 months in the control group, while the ORR was 43.4% in the treatment group versus 1% in the control group. As an indirect non-head-to-head comparison, the ORR was 13% in the treatment group in the Phase III NETTER-1 trial.

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We are conducting a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive NEN (excluding G1/G2 GEP-NETs), including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive PPGL or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN.

- **XTR006.** XTR006, a Core Product, is a potential best-in-class, ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. It has the potential to serve as a powerful precision diagnostic tool for distribution and quantitative assessment, providing accurate insights to guide AD treatment decisions. As of the Latest Practicable Date, we were investigating XTR006 in a Phase III clinical trial. There was no approved tau-targeted PET tracer in China as of the Latest Practicable Date.

  AD is the most prevalent form of dementia and the hallmark pathological features include the accumulation of Aβ plaques, hyperphosphorylated tau protein deposition forming NFTs, and neuronal loss. Under-consultation, under-diagnosis and under-treatment of AD remain critical challenges. Driven by the growing consensus on the need for early intervention and advancements in biomarker development, PET imaging has been increasingly recognized as a potential tool for early diagnosis of AD. With the market launch XTR005 (歐韋寧®) in 2025, the market size of pathology-specific PET tracers for neurodegenerative diseases is expected to grow rapidly to RMB9.7 billion in 2035, according to CIC.

  As a tau-targeted radioligand, XTR006 has strong potential to facilitate AD staging, prognostic assessment and advancing therapy development. XTR006 incorporates an innovative molecular design that effectively overcomes the off-target binding issues observed with approved PET tracers such as Tauvid® developed by Eli Lily. This results in significantly improved specificity and a higher signal-to-noise ratio, thereby enhancing imaging quality and diagnostic accuracy. Results from clinical trials have shown promising safety and efficacy profile of XTR006. Specifically, data from our Phase I clinical trial in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group.

- **XTR004.** XTR004, a Core Product, is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. It is designed to detect myocardial ischemia due to flow-limiting stenoses in epicardial arteries and/or CMD. We have completed a Phase I clinical trial and a Phase II clinical trial for XTR004 and we plan to initiate a Phase III trial in the fourth quarter of 2025.

MPI has been recognized as an important and evidence-supported non-invasive, functional detection method for diagnosing myocardial ischemia. According to CIC, the MPI tracer market globally and in China is expected to increase from US$1,247.7 million and RMB36.0 million, respectively, in 2024 and to US$1,844.6 million and RMB2,210.6 million, respectively, in 2035. XTR004, as a PET-MPI tracer, offers significant clinical benefits compared to other diagnostic methods, including coronary computed tomography angiography, coronary angiography and SPECT-MPI. The completed Phase I and Phase II clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR004. As the first and only PET-MPI tracer under clinical development in China, we believe XTR004 could provide clinicians with a more accurate and reliable method to diagnose myocardial ischemia and guide treatment decisions. Meanwhile, it has the potential to address the clinical challenges associated with the excessive use of coronary angiography and interventional treatments, especially stent implantation, thus reducing both patient suffering and the financial burden of unnecessary procedures.

- **XTR003.** XTR003, a Core Product, is a potential first-in-class, ^{18}F-labeled PET diagnostic radioligand for myocardial fatty acid metabolism imaging to detect myocardial viability. It is the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development. We have completed a Phase I clinical trial in healthy subjects and a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging.

  Clinically, it is essential to distinguish between viable and non-viable (or scarred) myocardial tissue in patients who have experienced myocardial infarction. This assessment is a critical step in deciding whether early revascularization – such as through coronary artery bypass grafting or percutaneous coronary intervention – could improve clinical outcomes. However, conventional PET myocardial metabolism imaging relies on a glucose-loading protocol with ^{18}F-FDG injection that faces many limitations in clinical utilization. XTR003 is designed to directly detect myocardial fatty acid metabolism, and when used in a fasting state in combination with ^{18}F-FDG, it can simultaneously assess overall myocardial metabolism from two dimensions, i.e. glucose metabolism and myocardial fatty acid metabolism, thereby more effectively identifying and detecting viable myocardium.

  The completed clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR003. Based on results of the Phase II clinical trial, the fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging has comparable ability for the detection of viable myocardium to that of glucose-loaded ^{18}F-FDG PET myocardial metabolism imaging, with all image quality ratings meeting clinical diagnostic requirements.

In addition to our Core Products, our pipeline features several assets with the potential to be first-to-market in China, first-in-class or best-in-class, including XTR012 (potentially the first approved domestically-developed radiopharmaceutical for bone metastases from prostate cancer in China and the first approved domestically-developed α-emitting radiopharmaceutical in China); XTR020 (potentially the first approved ^{18}F-labeled PSMA-targeted PET tracer in China); XTR021 (a potential best-in-class radioligand for the treatment of PSMA-positive mCRPC in China); and XTR025 (a potential first-in-class radioligand for the treatment of glioblastoma).

We have established fully-integrated in-house R&D capabilities that encompasses all key functionalities throughout the entire radiopharmaceutical development process, from precursor design and optimization, radiochemistry labeling, radionuclide selection, preclinical validation, clinical research, medical imaging, radiotheranostics integration to translational research. Our in-house R&D capabilities are bolstered by robust R&D infrastructure and our proprietary technology platforms. We have a central laboratory and two drug discovery centers, which are equipped with state-of-art equipment and instruments. The development of radiopharmaceuticals requires a highly specialized talent team with a suite of inter-disciplinary capabilities. To meet these requirements, we have assembled a high-caliber team of professionals with extensive experience and expertise across radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. As of the Latest Practicable Date, our dedicated in-house R&D team comprised 196 employees with an average of approximately 10 years of industry experience and approximately 47% of our R&D team members held master's or above degrees. Complementing our R&D infrastructure, we have established proprietary technology platforms, recognizing the distinct characteristics of development of radiopharmaceuticals compared to other drug modalities. By harnessing these technology platforms, we can systematically advance candidates with the best potential to become precision-targeted, clinically-active and commercially-viable radiopharmaceuticals.

Our end-to-end capabilities are also reflected in our established manufacturing and commercial capabilities. We have established two in-house manufacturing facilities in operation, including one located in Wuxi, Jiangsu Province and one located in Zhongshan, Guangdong Province. As of the Latest Practicable Date, these facilities had a total GFA of over 20,000 sq.m., housing a total of 12 commercial-scale production lines (with three having obtained production licenses and passed GMP compliance inspections). In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province. We are in the process of obtaining relevant licenses and permits and expect this facility to commence operations in the third quarter of 2025. Our in-house GMP-standard manufacturing facilities are integrated seamlessly with our R&D capabilities, which enhances the efficiency of our development and manufacturing processes, allowing us to achieve reliable quality and cost control and further solidifying our early-mover advantage. We strive to maintain a stable and diversified supply of radionuclides by leveraging our in-house cyclotron-based radionuclide production capability. We have also entered into long-term agreements with domestic and international radionuclide suppliers, including an exclusive supply arrangement of ^{177}Lu with INPC for the production of ^{177}Lu-DOTATATE.

We pursue a dual-pillar commercialization strategy comprising both direct sales and external partnerships, which we believe will allow us to maximize the value of our pipeline assets while effectively managing the development risks and scaling up our business in a cost-efficient manner. We have established in-house sales and marketing team consisting of 91 employees as of the Latest Practicable Date, which provide strong support for the direct sales of our commercialized products. Meanwhile, we foster an open and collaborative mindset, proactively pursuing out-licensing and collaboration arrangements with leading industry players to leverage the combined strengths in advancing our product candidates toward clinical and commercial success.

OUR COMPETITIVE STRENGTHS

A front-runner and leader in the radiopharmaceutical market in China with end-to-end capabilities spanning the entire industry value chain

We are a front-runner and leader in the radiopharmaceutical market in China dedicated to the development and commercialization of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class. With deep roots in China and a global vision, we have established end-to-end capabilities spanning the entire industry value chain, creating strong competitive edge and well positioning us to seize the immense growth opportunities in the radiopharmaceutical industry.

The global radiopharmaceutical industry is on the cusp of explosive growth, while China remains a nascent market with huge unmet medical needs and tremendous untapped potential

Driven by significant advancements in targeted therapies and nuclear medicine, the global radiopharmaceutical industry has witnessed remarkable breakthroughs in the past decade. Novartis' acquisitions of Advanced Accelerator Applications S.A. for US$3.9 billion in 2017 and Endocyte, Inc. for US$2.1 billion in 2018 represent pivotal milestones in the industry's evolution. The successful market launch of blockbuster therapeutic radioligands such as Lutathera® and Pluvicto® developed by Novartis, and diagnostic radioligands such as Pylarify® developed by Lantheus and Detectnet® developed by RadioMedix, has further validated the immense commercial and clinical potential of radioligands. These advancements have attracted significant interest from MNCs and global capital to secure a foothold in the field, fueling a surge in industry investments, strategic partnerships and pipeline expansions worldwide. According to CIC, since 2021, there have been over 80 deals involving radiopharmaceuticals globally with a total deal value of exceeding US$7 billion, including the recently announced acquisitions of Marianna Oncology Inc., Fusion Pharmaceuticals Inc., RayzeBio, Inc. and POINT Biopharma Global Inc. by Novartis, AstraZeneca, Bristol Myers Squibb and Eli Lilly, respectively.

Radioligands represent a distinct modality with unique mechanism. They consist of a targeting ligand (can be peptide, small molecule or antibody), which is conjugated to a radionuclide through a linker and a chelator. Radioligands are increasingly recognized as next-generation medicines, playing a critical role in oncology while expanding into other areas such as neurological diseases and cardiovascular diseases. These products are distinguished by their highly precise targeting and reduced side effects, while minimizing drug resistance through direct radionuclide irradiation. By pairing diagnostic and therapeutic radioligands, radiotheranostics integration has emerged as a groundbreaking approach in precision medicine. It is revolutionizing treatment paradigms by enabling real-time imaging and continuous monitoring of therapeutic responses, offering targeted, effective and patient-specific treatment options for resistant and refractory diseases. The global radiopharmaceutical industry is on the cusp of explosive growth. According to CIC, the market size of global radiopharmaceutical industry is expected to increase from US$9.7 billion in 2024 to US$57.3 billion in 2035, representing a CAGR of 17.5%.

While the global radiopharmaceutical industry continues to thrive, China's radiopharmaceutical market remains in a nascent stage of development and is significantly under-penetrated. Notably, no therapeutic radioligand has been approved by the NMPA as of the Latest Practicable Date. The top two best-selling radiopharmaceuticals globally, which have yet to secure regulatory approvals in China, generated over US$2 billion in global sales in 2024. In addition, nuclear imaging equipment is significantly under-penetrated in China. According to CIC, China has only 0.6 PET imaging devices per million population, compared to 7.2 in the U.S. The number of nuclear medicine examinations conducted annually in China is approximately 4.1 million, significantly few than the 22.3 million performed in the U.S.

Increasing regulatory support from the PRC government, rising demand for precision medicine, rapidly evolving nuclear medicine infrastructure and continuous innovation in ligand design and labeling technologies are expected to drive and accelerate the development of radiopharmaceutical market in China. In particular, the PRC government has introduced a series of favorable policies to support the development of nuclear medicine, including promoting the construction of nuclear reactors and cyclotrons to enhance the domestic supply of medical-grade radionuclides and reduce reliance on imports. Notably, in 2022, the INPC achieved a significant breakthrough by becoming the first in China to successfully produce medical-grade, GMP-standard ^{177}Lu domestically. Riding on the recent trend of transformative advancements, the radiopharmaceutical market in China is approaching a growth inflection point with its market size projected to increase at a CAGR of 23.5% from RMB7.4 billion in 2024 to RMB75.8 billion in 2035, according to CIC.

We are at the forefront of the radiopharmaceutical market in China with end-to-end capabilities spanning the entire industry value chain

We are a front-runner in the radiopharmaceutical market in China, with over a decade of experience in the research and development of innovative radiopharmaceuticals. According to CIC, we are the first in China to (i) obtain marketing approval for an innovative radiopharmaceutical; (ii) obtain manufacturing approval for an innovative radiopharmaceutical as a MAH; and (iii) complete a registrational clinical trial for a therapeutic radioligand with an NDA accepted by the NMPA.

The radiopharmaceutical market is characterized by high entry barriers due to (i) stringent regulatory and qualification requirements; (ii) short half-lives of radionuclides (ranging from hours to days), requiring highly advanced technical capabilities in R&D and imposing significant logistical and operational challenges on the supply chain; (iii) the need for a highly specialized talent team with a suite of inter-disciplinary capabilities that are beyond the reach of most biopharmaceutical companies; and (iv) difficulties in maintaining a stable supply of radionuclides.

As an early mover in this market, we are a fully-integrated radiopharmaceutical company with end-to-end capabilities throughout the radiopharmaceutical development process. We are among the first radiopharmaceutical companies in China and one of the few globally to achieve full-industry-chain integration, according to CIC. We believe this allows us to overcome key barriers and seamlessly advance our product candidates from bench to bedside, underscoring the scalability of our operations and establishing strong competitive edge. Specifically, we are one of a few companies in China that hold a radiation safety license (《輻射安全許可證》), a radiopharmaceutical manufacturing license (《放射性藥

品生產許可證》) and a radiopharmaceutical business license (《放射性藥品經營許可證》). A significant number of high threshold requirements must be satisfied in order to obtain these licenses, which are pre-requisites to the development, manufacturing and sales of radiopharmaceuticals. We have established a nationwide network of R&D and manufacturing facilities, along with a comprehensive sales and distribution network. These resources provide robust support for the development, manufacturing and distribution of our pipeline assets. As a leader and dedicated player in the radiopharmaceutical market, we also possess strong capabilities in supply chain management. In addition, we have assembled a deep bench of professionals with extensive inter-disciplinary experience and expertise across radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. We strive to maintain a stable, sustainable and diversified supply of radionuclides by leveraging both in-house production capability and long-term collaboration relationships with trusted radionuclide suppliers.

We have played an important role in advancing the development and growth of China's radiopharmaceutical industry. We actively participate in the formulation and promulgation of industry standards and guidelines in China, which attests to our recognized expertise in this industry. We also engage in in-depth communications with International Atomic Energy Agency and relevant industry associations.

Since our inception, we have successfully completed a series of financings, representing more than half of the total capital raised in the radiopharmaceutical market in China during the same period. This solidifies strong investor confidence in our industry leadership.

We are developing a pipeline of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class

We are committed to unlocking the full potential of radiopharmaceuticals and transforming the diagnosis and treatment in three areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases. With strategic foresight and extensive industry experience and expertise, we have built a pipeline of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class. According to CIC:

- XTR005 (commercialized under the trade name 歐韋寧®) stands out as the first and only approved PET diagnostic radioligand targeting an AD biomarker in China, which is also the first innovative PET tracer to obtain marketing approval in China during the past 20 years;

- XTR008 (a Core Product) is anticipated to be the first approved SSTR-targeted therapeutic radioligand in China;

- XTR006 (a Core Product) is positioned as a potential best-in-class tau-targeted PET tracer in China;

- XTR004 (a Core Product) is the first and only PET-MPI tracer under clinical development in China;

- XTR003 (a Core Product) is the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development;

- XTR020 is potentially the first approved ^{18}F-labeled PSMA-targeted PET tracer in China; and

- XTR021 is positioned as a potential best-in-class radioligand for the treatment of PSMA-positive mCRPC in China.

We believe our clinically advanced pipeline is a testament to our industry leadership. Our pipeline assets hold exceptional market potential, poised to address significant unmet needs and bridge critical gaps upon commercialization.

A comprehensive, differentiated and synergistic product matrix with significant potential in radiotheranostics

We adopt a systematic, indication-oriented approach to target the prevalent or hard-to-treat diseases and conditions affecting a large and underserved population. As validation of our full-industry-chain capabilities, we have rationally designed and built a comprehensive pipeline of differentiated and synergistic assets to deliver integrated diagnostic and therapeutic solutions.

Our pipeline is centered around three areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases, comprising 15 assets as of the Latest Practicable Date, including three in commercial or near-commercial stage, eight in clinical or IND-enabling stage and four under IITs or preclinical studies. In particular, our pipeline includes four potential first-in-class or best-in-class assets and four assets developed based on top five best-selling radiopharmaceuticals globally in 2024, underscoring the strong competitiveness of our pipeline. Our pipeline is strategically structured with a complementary mix of diagnostic and therapeutic radioligands, encompassing both validated targets and radionuclides as well as emerging targets and radionuclides. We believe such a staggered pipeline could offer a balance in development risks and continuous innovations, enabling our commercialized assets to support the advancement of our early-stage candidates.

Our Pipeline by Indication

Oncology

- **Neuroendocrine Neoplasm (NEN)**. NENs are rare abnormal growths that originate from widely distributed cells within the neuroendocrine system. According to CIC, the incidence of NEN globally and in China increased from 437,800 and 49,300, respectively, in 2018 to 557,200 and 60,300, respectively, 2024, and is forecasted to further grow to 755,200 and 73,500, respectively, in 2035. Based on histology, NENs can be divided into two major types: well-differentiated NETs and poorly-differentiated NECs. The GEP-NET represents the most prevalent site of NET, accounting for approximately 65% to 75% of the total number of NEN cases, followed by lung NEN, thymic NEN and PPGL. GEP-NETs are further divided into three grades, namely, G1, G2 and G3. See "Industry Overview – Major Indications – NEN" for more details.

NEN is substantially under-diagnosed and under-treated in China. According to CIC, around 70% of patients with NET were previously diagnosed with at least one gastrointestinal, respiratory, dermatologic, or metabolic condition commonly misdiagnosed prior to NET diagnosis, causing delays in receiving proper treatment. With an overall five-year relative survival rate of 36.2% in China (compared to 63.9% in the United States), according to CIC, evidencing a significant need for accurate diagnosis and effective treatment. According to CIC, SSTRs are expressed in approximately 90% of NENs and approximately 80% of GEP-NETs overexpress SSTRs, making them ideal targets for diagnosis and treatment of NENs.

As of the Latest Practicable Date, Lutathera® developed by Novartis remained the only globally approved therapeutic radioligand for SSTR-targeted GEP-NET, with marketing approvals from the EMA and the FDA in 2017 and 2018, respectively. Lutathera® has been proven to provide well-validated clinical benefits and achieved significant commercial success. As the second best-selling therapeutic radiopharmaceutical globally in 2024, the global sales of Lutathera® increased from US$167 million in 2018 to US$724 million in 2024, with a CAGR of 27.7%. The global SSTR-targeted therapeutic radioligand market is projected to reach US$3.4 billion in 2035 with a CAGR of 15.0% from 2024 to 2035, according to CIC. Following the anticipated approval of the first SSTR-targeted therapeutic radioligand in China (namely, our XTR008) in 2026, the market in China is expected to grow rapidly and reach RMB5.4 billion in 2035, according to CIC.

Although a number of SSTR-targeted PET tracers had been approved by the FDA for the diagnosis of NENs, there was none that obtained marketing approval in China as of the Latest Practicable Date. According to CIC, the global SSTR-targeted PET tracer market is forecasted to increase from US$0.6 billion in 2024 to US$1.2 billion in 2035 with a CAGR of 7.1%. With the anticipated approval of the first SSTR-targeted PET tracer in China in 2026, the market in China is expected to reach RMB1,001.6 million in 2035, according to CIC. We had three products candidates for the diagnosis or treatment of NEN which were currently under different stages of development as of the Latest Practicable Date, including two therapeutic radioligands (XTR008 and XTR024) and one diagnostic radioligand (XTR015).

- ***XTR008.*** XTR008, a Core Product, is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. By targeting SSTR, XTR008 delivers ^{177}Lu to SSTR-overexpressing tumor cells, where it releases β-rays that cause DNA damage, disrupt cell replication, and/or trigger cell death, thereby achieving its therapeutic effect.

  As potentially the first SSTR-targeted therapeutic radioligand approved in China, we have submitted an NDA to the NMPA in March 2025 based on the completed interim analysis of a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, G1 or G2 SSTR-positive GEP-NETs in China. The NDA was accepted by the NMPA in April 2025, and we expect to receive NDA approval in 2026.

  We have observed remarkable efficacy and safety of XTR008 in our registrational Phase III clinical trial. Results of the clinical trial demonstrated that the XTR008 treatment group significantly outperformed the control group receiving standard treatment of high-

dose somatostatin LAR in terms of multiple efficacy indicators, including PFS and ORR. Meanwhile, the Phase III clinical trial of XTR008 demonstrated PFS and other efficacy indicators similar to or more favorable than those observed in the Phase III NETTER-1 trial for Lutathera®. Specifically, in the Phase III clinical trial of XTR008, the median PFS was not reached in the treatment group compared to 5.8 months in the control group, while the ORR was 43.4% in the treatment group versus 1% in the control group. As an indirect non-head-to-head comparison, the ORR was 13% in the treatment group in the Phase III NETTER-1 trial.

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We are conducting a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive NEN (excluding G1/G2 GEP-NETs), including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive PPGL or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN.

- ***XTR024:*** XTR024 is a ^{225}Ac-labeled SSTR-targeted radioligand, for the treatment of G1 or G2 NETs who have failed treatment with ^{177}Lu-PRRT, G3 NETs, NECs, together with ES-SCLC. XTR024, labeled with ^{225}Ac (an α-emitter), is designed to complement XTR008 (β-emitter-labeled) to provide a synergistic portfolio of therapeutics for NET treatment, leveraging distinct radiobiological mechanisms to address heterogeneous tumor biology. As of the Latest Practicable Date, XTR024 was undergoing preclinical studies and an IIT in China.

- ***XTR015.*** XTR015 is ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. Our XTR015 is the first ^{64}Cu-labeled SSTR-targeted PET radioligand to receive IND in China. ^{64}Cu offers significant advantages over ^{68}Ga-labeled alternatives, including (i) a longer half-life (12.7 hours vs. 67.7 minutes), which allows for more flexible logistics and broader clinical accessibility; (ii) a shorter positron range due to lower positron energy, resulting in better spatial resolution and more accurate lesion detection; and (iii) an extended imaging window (one to three hours vs. one hour post-injection), offering greater scheduling flexibility and improving clinical efficiency. We plan to initiate a registrational clinical trial of XTR015 in 2025.

- **Prostate Cancer**. Prostate cancer is the second most commonly diagnosed cancer and the fifth leading cause of cancer-related death among men worldwide. The incidence of prostate cancer globally and in China increased from 1.3 million and 93,700, respectively, in 2018 to 1.5 million and 158,600, respectively, in 2024, and is expected to continue to increase to 2.0 million and 310,900, respectively, in 2035, according to CIC. Prostate cancer is an under-diagnosed disease in China and approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy.

PSMA is a transmembrane protein that plays a critical role in promoting cell survival and proliferation. It is highly overexpressed in prostate cancer cells – by approximately 100 to 1000 times compared to benign tissues – and its expression level correlates positively with Gleason score, indicating higher aggressiveness of the disease. Notably, PSMA expression is further elevated in patients with CRPC and mCRPC, making it an ideal target for diagnostic imaging and therapy. As of the Latest Practicable Date, Pluvicto® developed by Novartis remained the only globally approved therapeutic radioligand for PSMA-positive mCRPC, with marketing approvals from the FDA and EMA received in 2022 and 2023, respectively. As the best-selling therapeutic radiopharmaceutical globally in 2024, its global sales increased from US$271 million in 2022 to US$1,390 million in 2024. In March 2025, Pluvicto® received the FDA approval for an expanded indication, with projected peak sales of US$5 billion. According to CIC, the global PSMA-targeted therapeutic radioligand market is projected to reach US$16.2 billion in 2035. Following the anticipated approval of the first PSMA-targeted therapeutic radioligand in China in 2026, the market in China is expected to grow rapidly and reach RMB13.3 billion in 2035, according to CIC. As of the Latest Practicable Date, we had five products candidates for diagnosis or treatment of prostate cancer which were under different stages of development, including four radiotherapeutics (XTR010, XTR021, XTR012 and XTR022) and one diagnostic radioligand (XTR020). Our prostate cancer pipeline is strategically structured to leverage differentiated development strategies that address diverse clinical and commercial objectives. For example, certain pipeline assets are designed to target specific patient populations, while others prioritize cost-effectiveness to enhance accessibility and affordability.

- ***XTR010.*** XTR010 is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. Its mechanism of action was validated by the successful commercialization of Pluvicto®. Different from Pluvicto®, XTR010 incorporates a structurally optimized targeting ligand that enhances tumor uptake with a reduced radionuclide dose. This offers a cost advantage by achieving comparable or improved therapeutic effects with a smaller dose of radionuclide, positioning XTR010 as a promising and cost-effective treatment option for prostate cancer patients. As of the Latest Practicable Date, XTR010 stood out as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China and we were advancing XTR010 in a Phase I/II clinical trial.

- ***XTR021.*** XTR021 is a potential best-in-class, internally discovered and developed ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). In an IIT, XTR021 has demonstrated a rapid prostate-specific antigen response and superior internalization efficiency compared to ^{177}Lu-PSMA-617, indicating enhanced efficacy and reduced treatment-related toxicity. As of the Latest Practicable Date, XTR021 was investigated under an IIT in patients with PSMA-positive mCRPC in China. We plan to submit an IND application to the NMPA in 2026.

- ***XTR012.*** XTR012 is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from prostate cancer. XTR012 is a generic version of Xofigo® developed by Bayer, which offers targeted, dual-action therapy with effective tumor cell killing while preserving bone structure. We have submitted an ANDA for XTR012 to the NMPA and expect to receive marketing approval in 2026, making it potentially the first approved domestically-developed radiopharmaceutical for bone metastases from prostate cancer in China and the first approved domestically-developed α-emitting radiopharmaceutical in China.

- ***XTR020.*** XTR020 is a ^{18}F-labeled PSMA-targeted PET radioligand for the diagnosis of prostate cancer. XTR020 binds selectively to PSMA-expressing cells, enabling highly sensitive detection of primary and metastatic lesions through PET imaging. In-licensed from BED, XTR020 (or ^{18}F-Flotufolastat injection) has demonstrated excellent clinical performance in two Phase III trials conducted by BED in the U.S. In addition to enhanced lesion detectability and high specificity compared to conventional imaging methods such as MRI, XTR020 may be logistically more convenient due to its longer half-life (109.7 minutes) compared to ^{68}Ga-labeled alternatives (67.7 minutes) for PET imaging. As of the Latest Practicable Date, there was no PSMA-targeted PET tracer approved for sale in China and we were advancing XTR020 in a Phase III clinical trial.

Neurodegenerative Diseases

Dementia is a clinical syndrome characterized by a progressive decline in cognitive functions severe enough to interfere with daily life. AD is the most prevalent form of dementia and the hallmark pathological features include the accumulation of Aβ plaques, hyperphosphorylated tau protein deposition forming NFTs, and neuronal loss. The progression of AD follows three main stages: (i) preclinical AD, marked by Aβ plaque accumulation and neuronal changes without noticeable symptoms; (ii) MCI due to AD, involving measurable cognitive decline while daily functioning remains largely preserved; and (iii) dementia due to AD, characterized by significant cognitive and functional impairment. MCI is a critical stage for early intervention, which may help delay or prevent the onset of AD. According to CIC, the number of MCI and ADOD patients in China increased from 36.1 million and 14.7 million, respectively, in 2018 to 49.6 million and 18.1 million, respectively, in 2024, and is projected to further increase to 80.6 million and 26.8 million, respectively, in 2035. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. According to CIC, neurodegenerative diseases affect approximately 10% of individuals over the age of 65, with incidence rates rising significantly as age increases.

Under-consultation, under-diagnosis and under-treatment of AD remain critical challenges. Despite being a leading cause of dementia, AD is frequently overlooked due to overlapping symptoms with normal aging, lack of routine assessments and stigma surrounding cognitive decline. Physicians in China have primarily relied on medical history and cognitive tests to diagnose AD. However, these methods are subjective and lack specificity, increasing the risk of misdiagnosis. Driven by the growing consensus on the need for early intervention and advancements in biomarker development, PET imaging has been increasingly recognized as a potential tool for early diagnosis of AD. Recent studies have discovered that the interaction between Aβ and tau plays a critical role in the progression of AD. Measuring Aβ plaque accumulation and phosphorylated tau protein deposition in the brain can accurately locate and

quantitatively assess the pathological changes and disease severity of AD. Furthermore, in the development and clinical application of AD therapies, both of Aβ-targeted PET imaging and tau-targeted PET imaging serve as crucial companion diagnostic tools, supporting patient selection and treatment efficacy assessment. As of the Latest Practicable Date, we had two pipeline assets indicated for the diagnosis of AD, namely, XTR006 and XTR005 (commercialized under the trade name 歐韋寧®). With the market launch of XTR005 (歐韋寧®), the market size of pathology-specific PET tracers for neurodegenerative diseases in China is expected to grow rapidly to RMB9.7 billion in 2035, according to CIC.

- **XTR006.** XTR006, a Core Product, is a potential best-in-class, ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. It has the potential to serve as a powerful precision diagnostic tool for distribution and quantitative assessment, providing accurate insights to guide AD treatment decisions. As of the Latest Practicable Date, we were investigating XTR006 in a Phase III clinical trial and there was no approved tau-targeted PET tracer in China.

  As a tau-targeted radioligand, XTR006 has strong potential to facilitate AD staging, prognostic assessment and advancing therapy development. Specifically, tau-targeted PET imaging plays a crucial role in staging AD, as the results closely correlate with Braak pathological staging, providing an accurate representation of tau protein deposition at different stages of disease progression. With tau-targeted PET imaging, XTR006 has the potential to enable precise assessment of disease severity and trajectory. From a prognostic perspective, XTR006 may serve as a robust predictor of cognitive decline and disease progression.

  XTR006 incorporates an innovative molecular design that effectively overcomes the off-target binding issues observed with approved PET tracers such as Tauvid® developed by Eli Lily. This results in significantly improved specificity and a higher signal-to-noise ratio, thereby enhancing imaging quality and diagnostic accuracy. XTR006 has exhibited superior specificity for NFTs in preclinical studies, while showing negligible affinity to tau aggregates associated with other tauopathies. Results from clinical trials have shown promising safety and efficacy profile of XTR006. Specifically, data from our Phase I clinical trial in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group.

- **XTR005 (歐韋寧®)**. XTR005 (^{18}F-Florbetaben injection) is a Aβ-targeted PET diagnostic radioligand approved by the NMPA for the diagnosis of AD and other causes of cognitive decline in September 2023. It is the first and only approved PET diagnostic radioligand targeting an AD biomarker in China and also the first innovative PET tracer to obtain marketing approval in China during the past 20 years, representing a revolutionized approach to high-precision and non-invasive AD diagnosis. We started to sell XTR005 in January 2025 and as of the Latest Practicable Date, we had established cooperative relationship for the sale of XTR005 with over 50 medical institutions in the Beijing-Tianjin-Hebei-Shandong region and Guangdong Province.

Cardiovascular Diseases

Cardiovascular disease is a general term for conditions affecting the heart or blood vessels. CAD, the most prevalent type of cardiovascular disease, is a pathological condition associated with impaired blood flow in the coronary arteries that are responsible for supplying blood to the heart muscle. CAD is broadly categorized as either obstructive or non-obstructive. Obstructive CAD arises from atherosclerosis, a chronic inflammatory process where plaque – consisting of cholesterol and other substances – gradually narrows or blocks the coronary arteries, reducing blood flow. Coronary microvascular dysfunction, another underlying cause of CAD, affects the tiny blood vessels in the heart, leading to reduced blood flow. The impaired blood flow to the heart muscle (also known as myocardia) may cause chest pain (also known as angina), shortness of breath and myocardial ischemia, with the most severe cases progressing to myocardial infarction (commonly known as a heart attack). Myocardial infarction is primarily caused by the rupture of an atherosclerotic plaque in a coronary artery, triggering thrombus formation and completely obstructing blood flow.

Due to a variety of environmental and habitual risk factors such as air pollution, obesity, high blood pressure and unhealthy lifestyles, together with the rapid aging population, the number of CAD patients globally and in China amounted to 316.6 and 11.5 million, respectively, in 2024 and is expected to reach 323.3 million and 12.7 million, respectively, in 2035. CAD is the third leading cause of mortality in China and the leading cause of mortality worldwide, according to CIC. Early detection and diagnosis are critical to reducing the risk of myocardial infarction and lowering CAD-related mortality. A number of leading clinical practice guidelines, including "2023 AHA/ACC/ACCP/ASPC/NLA/PCNA Guideline for the Management of Chronic Coronary Disease," "2024 Chinese guidelines for the diagnosis and management of patients with chronic coronary syndrome" and "2024 ESC Guidelines for the Diagnosis and Management of Chronic Coronary Syndromes," recommend the effective use of non-invasive imaging techniques while minimizing the use of unnecessary invasive procedures and interventional treatments. Non-invasive radionuclide myocardial imaging (mainly MPI and myocardial metabolism imaging) has been widely adopted in clinical practice. As of the Latest Practicable Date, we were developing two product candidates for radionuclide myocardial PET imaging, namely, XTR004 and XTR003.

- **XTR004.** XTR004, a Core Product, is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. It is designed to detect myocardial ischemia due to flow-limiting stenoses in epicardial arteries and/or CMD. We have completed a Phase I clinical trial and a Phase II clinical trial for XTR004. XTR004, as the first and only PET-MPI tracer under clinical development in China, is positioned to fill the market gap in China and provide significant clinical benefits to patients with CAD.

  MPI has been recognized as an important and evidence-supported non-invasive, functional detection method for diagnosing myocardial ischemia. According to CIC, the MPI tracer market globally and in China is expected to increase from US$1,247.7 million and RMB36.0 million, respectively, in 2024 and to US$1,844.6 million and RMB2,210.6 million, respectively, in 2035. Compared to coronary computed tomography angiography and coronary angiography which anatomically visualize coronary artery blockages or narrowing from a structural perspective, functional measurement – such as SPECT imaging,

PET imaging and pressure wire-based FFR measurement – can help directly assess the physiological impact of, and thus more accurately identify, myocardial ischemia, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction. Moreover, coronary angiography, as an invasive procedure, is considered necessary only if non-invasive tests demonstrate a high likelihood of CAD. Pressure wire-based FFR measurement is also an invasive procedure, which carries risks and is technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy. Compared to the widely used SPECT-MPI imaging for CAD diagnosis, XTR004, as a PET-MPI tracer, offers higher sensitivity in evaluating multi-vessel disease and microvascular dysfunction due to the improved spatial resolution, more precise attenuation correction and the quantitation of myocardial blood flow. In addition, it takes only 30 to 50 minutes to complete a rest/stress PET-MPI, compared to the 5 to 6 hours required for one-day SPECT-MPI protocols, which is expected to significantly improve clinical efficiency and patient convenience.

The completed Phase I and Phase II clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR004. Its clinical trial design uses both coronary angiography and FFR as the reference standards. This enables validation of XTR004 as a non-invasive method for both qualitative and quantitative assessment, allow for simultaneous detection of epicardial coronary artery stenosis and functional abnormalities leading to myocardial ischemia. We are also currently conducting preclinical studies to explore the potential of XTR004 in CMD detection.

We believe XTR004 could provide clinicians with a more accurate and reliable method to diagnose myocardial ischemia and guide treatment decisions. Meanwhile, it has the potential to address the clinical challenges associated with the excessive use of coronary angiography and interventional treatments, especially stent implantation, thus reducing both patient suffering and the financial burden of unnecessary procedures.

- **XTR003.** XTR003, a Core Product, is a potential first-in-class, ^{18}F-labeled PET diagnostic radioligand for myocardial fatty acid metabolism imaging to detect myocardial viability. It is the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development. We have completed a Phase I clinical trial in healthy subjects and a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging.

  Clinically, it is essential to distinguish between viable and non-viable (or scarred) myocardial tissue in patients who have experienced myocardial infarction. This assessment is a critical step in deciding whether early revascularization – such as through coronary artery bypass grafting or percutaneous coronary intervention – could improve clinical outcomes. However, conventional PET myocardial metabolism imaging relies on a glucose-loading protocol with ^{18}F-FDG injection that faces many limitations in clinical utilization. Also, for diabetic patients, various interference factors may compromise image quality, while the glucose-loading process itself increases the risk of hypoglycemia.

XTR003 is designed to directly detect myocardial fatty acid metabolism without the need for blood glucose regulation. When used in a fasting state in combination with ^{18}F-FDG, XTR003 can simultaneously assess overall myocardial metabolism from two dimensions, i.e. glucose metabolism and myocardial fatty acid metabolism. As a result, the fasting XTR003/^{18}F-FDG combined PET myocardial metabolism imaging has the potential to provide cardiologists with a more accurate and reliable method to assess myocardial viability.

The completed clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR003. Based on results of the Phase II clinical trial, the fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging has comparable ability for the detection of viable myocardium to that of glucose-loaded ^{18}F-FDG PET myocardial metabolism imaging, with all image quality ratings meeting clinical diagnostic requirements. The clinical value of fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging will be further investigated in the subsequent clinical studies.

Radionuclides and Targets

Our pipeline encompasses both validated radionuclides and targets as well as emerging radionuclides and targets with high potential.

- **Radionuclides:** For our radiodiagnostic assets, we utilize ^{18}F and ^{64}Cu, two of the most widely used diagnostic radionuclides. Our XTR016 is the first ^{64}Cu-labeled radioligand to receive IND in China. Therapeutic radionuclides can be broadly classified into two categories based on the type of radiation they emit: α-emitting radionuclides and β-emitting radionuclides. β-emitters such as ^{177}Lu is the most commonly used therapeutic radionuclide under mature development. As of the Latest Practicable Date, we had five product candidates under development with ^{177}Lu as the radionuclide, including XTR008, XTR010, XTR021, XTR017 and XTR025. α-emitting radionuclides, such as ^{225}Ac and ^{223}Ra, release 1,500 times more linear energy transfer compared to β-emitters. They deliver high energy over a short range to selectively kill tumor cells while largely sparing normal tissue, offering higher precision and stronger tumor-killing effects. As of the Latest Practicable Date, we were developing two product candidates using ^{225}Ac as the radionuclide, namely, XTR024 and XTR022, and we were developing XTR012 with ^{223}Ra as the radionuclide.

- **Targets:** Our product pipeline covers substantially all of globally validated targets for radioligands, including PSMA, SSTR, Aβ and tau protein. In addition to these mature targets, we are developing several assets leveraging emerging targets, including FAP.

Fully-integrated radiopharmaceutical R&D capabilities empowered by robust infrastructure, proprietary technology platforms and a high-caliber and multi-disciplinary team of talent

We have established fully-integrated in-house R&D capabilities that encompasses all key functionalities throughout the entire radiopharmaceutical development process, from precursor design and optimization, radiochemistry labeling, radionuclide selection, preclinical validation, clinical research, medical imaging, radiotheranostics integration to translational research. As a validation of our fully-integrated R&D capabilities, we have established a proven track record in successfully advancing scientific discoveries into clinical applications. Our in-house R&D capabilities are bolstered by robust R&D infrastructure and our proprietary technology platforms. These resources serve as the foundation for the successful development and commercialization of our existing product candidates, while empowering continuous pipeline expansion.

We have a central laboratory and two drug discovery centers, which are equipped with state-of-art equipment and instruments. Our R&D centers are equipped with radiation safety licenses, which authorize us to use over 40 types of radionuclides for the development of radiopharmaceuticals. The development of radiopharmaceuticals requires a highly specialized talent team with a suite of inter-disciplinary capabilities that are beyond the reach of most biopharmaceutical companies. Additionally, proficiency in handling radioactive materials and operating advanced, large-scale equipment is essential. To meet these requirements, we have assembled a high-caliber team of professionals with extensive experience and expertise across radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. As of the Latest Practicable Date, our dedicated in-house R&D team comprised 196 employees with an average of approximately 10 years of industry experience and approximately 47% of our R&D team members held master's or above degrees.

We have strategically established our proprietary technology platforms, recognizing the distinct characteristics of development of radiopharmaceuticals compared to other drug modalities. By harnessing these technology platforms, we can systematically advance candidates with the best potential to become precision-targeted, clinically-active and commercially-viable radiopharmaceuticals.

- **Radiopharmaceutical Discovery.** Radiopharmaceuticals differ from conventional pharmaceuticals because they require the synthesis of a precursor (consisting of a targeting ligand with a linker and a chelator), which is then radiolabeled to produce the final product. Our precursor design and optimization platform focuses on enhancing druggability and clinical translation by integrating key parameters such as pharmacokinetics, physicochemical properties and tissue distribution into compound design and optimization. In addition, our therapeutical radioligand screening platform encompasses the identification and optimization of targeting ligands and linkers, *in vitro* activity screening, radiolabeling and *in vivo* efficacy validation.

- **Radiopharmaceutical Development.** Considering the unique nature of radiopharmaceuticals and the highly inter-disciplinary approach required for their development, we have established specialized technology platforms across all key stages of radiopharmaceutical development. In particular:

- ***Medical Radioisotope Development Platform:*** Radionuclides are essential raw materials for radiopharmaceuticals. Their short half-lives require highly advanced technical capabilities in R&D and imposing significant logistical and operational challenges on the supply chain. With accumulated expertise in both reactor-based and cyclotron-based radionuclide production from both liquid and solid target materials, we leverage our medical radioisotope development platform to conduct comprehensive radionuclide process and quality study to produce high-purity radionuclides, while ensuring seamless regulatory integration.

- ***Radiochemistry Labeling Technology Platform:*** Current radiochemical labeling techniques face challenges such as optimizing reaction efficiency, ensuring stability against radiolysis and maintaining product homogeneity. To address these challenges, our radiochemistry labeling technology platform integrates optimized labeling process parameters, tailored formulation screening (e.g., radical scavengers, buffer systems), and rigorous material selection to ensure stability and quality control even at high levels of radioactivity.

  In addition, due to their radioactive nature, radiopharmaceuticals require automated synthesis modules and must be manufactured at scale within shielded hot cells for radiation protection. Developing automated synthesis programs demands in-depth knowledge of reaction characteristics, functionality of infrastructure and software programming. Our radiochemistry labeling technology platform enables efficient programming of labeling processes across various automated synthesis modules, facilitating the development of diverse radioligands and significantly accelerating radiopharmaceutical research and production.

• **Radiopharmaceutical Clinical Research.** Radiopharmaceutical is characterized by its ability to be noninvasively visualized and quantified. Due to its unique emission property from radioactive decay, pharmacokinetic assessment of these agents differ fundamentally from those of conventional drugs. To address these challenges, we have established multiple dedicated radiopharmaceutical clinical research platforms.

  - ***Radiation Dosimetry Platform:*** Radiation dosimetry research is a fundamental aspect of radiopharmaceutical development, playing a crucial role in ensuring both efficacy and safety. We have built a dedicated radiation dosimetry research platform, which systematically evaluates the efficacy and safety of radiopharmaceuticals by analyzing their radioactive activity across different organs at multiple time points, providing a robust scientific foundation for dose selection.

  - ***Imaging Platform:*** To advance clinical trials for diagnostic radiopharmaceuticals and support imaging-based evaluations of therapeutic radiopharmaceuticals, we have established a comprehensive medical imaging platform. Designed in full compliance with GCP standards, this platform features robust image data management and QC processes to ensure accuracy and reliability.

- ***Translational Medicine Platform:*** Radiopharmaceuticals exert their pharmacological effects through two primary components: the precursor – used in microgram quantities with minimal safety concerns – and the radionuclide, which provides diagnostic or therapeutic functionality. Due to this unique mechanism of action, early-stage clinical development of radiopharmaceuticals, both in China and internationally, is largely driven by IITs conducted by qualified medical institutions.

  We have established a translational medicine platform for radiopharmaceuticals with proven capabilities in IIT design and execution and strategic partnerships with nuclear medicine departments at top-tier hospitals in China. This model accelerates the translation of PCCs into clinical validations by generating human data that directly supports IND submissions and refines clinical trial protocols.

- **Theranostics Development Platform.** The theranostic development platform integrates the development of diagnostic and therapeutic radioligands, achieving a seamless diagnosis-therapy continuum. Diagnostic radioligands serve as important tools in target validation, patient selection and monitoring treatment responses for therapeutic radioligands, enhancing our R&D efficiency. Built upon our theranostic development platform, we are developing a number of theranostic pairings, including XTR008/XTR015 and XTR017/XTR016. Specifically, XTR015 is used to identify NET patients expressing SSTRs, followed by the administration of XTR008 for targeted therapy. Similarly, XTR016 is used to identify cancer patients expressing FAP, followed by the administration of XTR017 for targeted therapy.

Our proprietary technologies and pipeline assets are protected by a well-structured global patent portfolio, which consisted of 101 registered patents and 53 patent applications in China, five registered patents and 34 patent applications in other jurisdictions, and nine pending patent applications under PCT as of the Latest Practicable Date. In particular, we had 33 registered patents and 26 patent applications in connection with our Core Products. In addition, as of the Latest Practicable Date, we in-licensed 16 registered patents and eight patent applications, including one in-licensed patent in connection with our Core Product XTR006.

GMP-standard commercial-scale in-house manufacturing capability, ensuring cost efficiency and reinforcing our early-mover advantage

We have established two in-house manufacturing facilities in operation, including one located in Wuxi, Jiangsu Province and one located in Zhongshan, Guangdong Province. As of the Latest Practicable Date, these facilities had a total GFA of over 20,000 sq.m., housing a total of 12 commercial-scale production lines (with three having obtained production licenses and passed GMP compliance inspections). These in-house manufacturing facilities were designed and operated in accordance with the GMP requirements. In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province. We are in the process of obtaining relevant licenses and permits and expect this facility to commence operations in the third quarter of 2025.

We strive to maintain a stable and diversified supply of radionuclides by leveraging both in-house cyclotron-based production capability and collaboration relationships with trusted radionuclide suppliers. Specifically, we have one cyclotron in each of our manufacturing facilities in operation which are capable of producing various types of radionuclides including ^{18}F, ^{64}Cu and ^{89}Zr. We have also entered into long-term agreements with domestic and international radionuclide suppliers. For example, leveraging our collaboration agreement with the INPC, we have secured an exclusive supply of ^{177}Lu from INPC for the production of ^{177}Lu-DOTATATE. By localizing radionuclide production, XTR008 potentially offers significant cost advantages compared to imported products.

Our in-house GMP-standard manufacturing facilities are integrated seamlessly with our R&D capabilities, which enhances the efficiency of our development and manufacturing processes, allowing us to achieve reliable quality and cost control and further solidifying our early-mover advantage.

A dual-pillar commercialization strategy underpinned by strong commercial capabilities to proper our sustainable growth

We pursue a dual-pillar commercialization strategy comprising both direct sales and external partnerships, which we believe will allow us to maximize the value of our pipeline assets while effectively managing the development risks and scaling up our business in a cost-efficient manner. While we have established in-house sales and marketing team to provide strong support for the direct sales of our commercialized products, we foster an open and collaborative mindset, proactively pursuing out-licensing and collaboration arrangements with leading industry players to leverage the combined strengths in advancing our product candidates toward clinical and commercial success.

As of the Latest Practicable Date, we had an in-house sales and marketing team of 91 employees, covering over 120 hospitals in China. As of the same date, our sales and marketing personnel had an average of approximately 13 years of industry-related experience. Our commercialization efforts are built upon prominent academic influence and broad recognition by the medical community. Therefore, we engage in academic promotion to increase the market awareness of radiopharmaceuticals and our pipeline assets. As of the Latest Practicable, we had three pipeline assets in commercial or near-commercial stage, including XTR005 (commercialized under the trade name 歐韋寧®), and XTR008 and XTR012 which are expected to be launched in 2026. Leveraging our strong in-house sales and marketing team, these product candidates are positioned to bridge critical gaps and seize significant market opportunities.

In line with our dual-pillar commercialization strategy, we have entered into a series of out-licensing agreements with Duality in connection with our in-house developed HER3 mAb. See "– Collaboration Arrangements" for more details. Such out-licensing arrangement not only provides significant capital support for our R&D and operations, but also serves as industry validation of our R&D capabilities. In February 2023, Lantheus acquired Cerveau, of which we were one of the shareholders prior to the acquisition, for an upfront payment, together with additional development and commercial milestone payments. In June 2024, Lantheus acquired Meilleur, of which we were one of the shareholders

prior to the acquisition, for an upfront payment, together with development and commercial milestone payments. Cerveau and Meilleur hold global rights to develop and commercialize MK-6240 and NAV-4694, respectively. The selling shareholders of Cerveau and Meilleur, including us, are also entitled to royalty payments for research revenue and commercial sales. See "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals."

As a front-runner and leader in the market, we are well positioned to continue to seek and capture value-accretive partnership opportunities, which will drive our continued innovation and long-term growth.

Visionary and experienced management team with deep industry insights and multi-disciplinary expertise, backed by support from prominent investors

We are led by our visionary and experienced management team. Our strategic direction is guided by Mr. Xu Xinsheng, our founder, chairman of the Board and general manager, along with Ms. Tang Yanmin and Mr. Wang Peng, our co-chief executive officers. Mr. Xu has around 30 years of experience in the pharmaceutical industry. Ms. Tang has around 30 years of experience in the field of pharmaceuticals and pharmaceutical investment, including six years in Sino-American (Tianjin) SmithKline Pharmaceutical Co., Ltd. (中美(天津)史克製藥有限公司), which is a subsidiary of GlaxoSmithKline plc. Ms. Tang is also an experienced investor with a dedicated focus on the healthcare sector, possessing deep industry insights and a proven investment strategy. She served as a director at a number of biotechnologies companies, including companies listed on Shanghai Stock Exchange, Shenzhen Stock Exchange or the Stock Exchange. Mr. Wang has nearly 30 years of experience in the pharmaceutical and healthcare industry, including two years in Fuxing Hospital, Capital Medical University (首都醫科大學附屬復興醫院), three years in Peking Union Medical College (北京協和醫院) and around 12 years working at the CDE. See "Directors and Senior Management" for their biographies.

Our senior management team possesses an average of approximately 24 years of industry-related or professional management experience. We believe that the experience and expertise of our management team will continue to drive our future growth.

We have garnered support from a diverse group of prominent investors who recognize our achievements and are confident in our growth potential, including well-known healthcare and biotechnology investment institutions such as GoldStone New Material Fund, CICC Qide, Pharmaceutical Fund, Nanjing Zhengkai, Guoyao Zhongsheng and Qiming Rongxin; State-owned funds such as China Structural Reform Fund II, Guotou Guangdong and Genertec VC Company; insurance-backed investment institutions such as Jiangsu Jiequan; and nuclear industrial investment funds such as Tongfu Fund.

OUR STRATEGIES

Rapidly advance the development of our product candidates

We will rapidly advance the clinical development of our product candidates to achieve commercialization. In particular:

- **XTR008.** We have submitted an NDA of XTR008 for unresectable or metastatic, progressive, G1 or G2 SSTR-positive GEP-NETs to the NMPA in March 2025, with marketing approval expected in 2026.

  We are also conducting a Phase II clinical trial of XTR008 in China in patients with advanced SSTR-positive NEN (excluding G1/G2 GEP-NETs), including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive PPGL or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN. We anticipate to complete the trial in 2026.

- **XTR006.** We are investigating XTR006 in a Phase III clinical trial in China. We expect to complete the trial in 2027.

- **XTR004.** We have completed a Phase II clinical trial of XTR004 in China and we plan to initiate a Phase III trial in China in the fourth quarter of 2025.

- **XTR003.** We have completed a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging in China. We anticipate to initiate a Phase IIb clinical trial in 2025.

- **XTR015.** We plan to initiate a registrational Phase III clinical trial of XTR015 in 2025, which is anticipated to be completed in 2026.

- **XTR010.** We are advancing XTR010 in a Phase I/II clinical trial in China and expect to complete Phase I stage in 2025.

- **XTR020.** We are advancing XTR020 in a registrational Phase III clinical trial of XTR020 in China, which is anticipated to be completed in 2026.

- **XTR016/XTR017.** We have received IND approvals for XTR016 and XTR017 and plan to initiate Phase I clinical trials in 2025.

We also plan to explore opportunities to expand indication coverage, aiming to maximize the therapeutic benefits of our pipeline assets for a broader patient population and fully unlock their commercial and clinical value. For example, we are exploring XTR004 in CMD detection. We plan to submit an IND application in 2026.

In addition, we plan to continue to actively advance the development of our preclinical-stage product candidates towards IND submission.

Further strengthen our manufacturing and commercial capabilities

We plan to continue to enhance our manufacturing capability through expanding our in-house manufacturing capacity. Specifically, considering the limited shelf-life of radiopharmaceuticals, we plan to establish a new manufacturing facility in the Beijing-Tianjin-Hebei-Shandong Region. This strategic expansion aims to ensure the timely delivery of our products to customers across northern China, improving the accessibility of our products and extending our geographical reach.

We plan to progressively expand our sales and marketing team and recruit additional employees to effectively meet post-launch market demand. We will continue to refine our commercialization strategies and invest in marketing and promotion activities.

In line with our dual-pillar commercialization strategy, we will continue to explore partnership opportunities and expand our global footprint. We will pursue a flexible strategy to capture the commercial value of our pipeline assets, through forging synergistic license and collaboration opportunities with leading global pharmaceutical and biotechnology companies.

Continue to enhance our R&D capabilities and further expand our pipeline

We will continue to actively invest in early-stage research and development. Our efforts will focus on identifying and evaluating potential novel targets, radionuclides and ligands, precursor design, optimization and development, and the application of AI technologies to empower the development of radiopharmaceuticals. In particular, we plan to continue to explore the applications of innovative radiopharmaceuticals in oncology diagnosis and treatment, with a focus on lung cancer, liver cancer, urinary tract cancer, digestive system cancer and central nervous system cancer. Meanwhile, we will actively investigate potential combination therapies of innovative radiopharmaceuticals with other oncology therapeutics, such as immunotherapies and DNA damage repair pathway inhibitors. With these efforts, we aim to continuously expand our product pipeline and broaden the clinical applications of radiopharmaceuticals. Furthermore, we plan to advance the development of radiopharmaceuticals labeled by novel radionuclides, such as generator-produced ^{212}Pb, with a view to strategically leveraging the distinct properties of various radionuclides to address diverse tumor types and meet both clinical and commercial objectives. We intend to continue advancing IITs to improve R&D efficiency and shorten the time needed to obtain human data.

Optimize our operation system and continue to attract and retain talent

We are continuously reviewing and optimizing our internal procedures to enhance operational efficiency and support our growth. We also place a strong emphasis on talent recruitment and retention. We recognize that a high-caliber talent team is key to our future success and sustainable growth. We will continue to invest in attracting and retaining outstanding professionals in key aspects of our operations.

Meanwhile, we plan to utilize advanced technologies to enhance the digitalization and automation of our operations, which is expected to improve operational efficiency and increase profitability. Considering the limited shelf-life of radiopharmaceuticals, we are developing an advanced order tracking system to provide end-to-end visibility across the supply chain. Powered by real-time GPS monitoring, this system will allow our customers (namely, hospitals) to place orders while ensuring seamless traceability and transparency throughout every stage from manufacturing, quality control and final delivery.

OVERVIEW OF OUR PIPELINE

As a leader in China's radiopharmaceutical industry, we are at the forefront of developing cutting-edge products and are committed to unlocking the full potential of radioligands to transform the diagnosis and treatment of oncology, neurodegenerative diseases, and cardiovascular diseases. With strategic foresight and deep expertise, we have built a comprehensive and differentiated pipeline of synergistic assets, including one commercialized product, XTR005, and 14 product candidates at various development stages, each with the potential to be first-to-market in China, first-in-class or best-in-class.

Commercialized Product

Neurodegenerative Diseases: XTR005 (^{18}F-Florbetaben Injection) is a Aβ-targeted PET radiotracer approved in China under the trade name 歐韋寧® for the measurement of Aβ plaque levels in the brains of adult patients via PET imaging, aiding in the assessment of AD and other causes of cognitive decline. It is the first Aβ-targeted PET tracer to receive marketing approval in China, representing a revolutionized approach in precision, non-invasive AD diagnosis and addressing a critical gap in the market. Given the long interval between amyloid fibrillogenesis and the onset of cognitive decline, XTR005 offers a valuable opportunity for early AD detection, enabling timely intervention and improved disease management.

Product Candidates Under Development

Oncology

We are developing 11 radiopharmaceutical product candidates for solid tumor treatment and diagnosis, including our Core Product XTR008, and product candidates XTR015, XTR010, XTR021, XTR012, XTR020, XTR022, XTR016, XTR017, XTR024, and XTR025.

Neuroendocrine Neoplasm

- **XTR008** is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. Based on the completed interim analysis of a Phase III clinical trial of XTR008 for Grade 1 or Grade 2 SSTR-positive GEP-NETs, we submitted an NDA to the NMPA in March 2025. Additionally, we are conducting a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive NENs (excluding G1 or G2 GEP-NETs), including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive PPGL or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN.

- **XTR015** is a ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. We plan to initiate a registrational Phase III clinical trial of XTR015 in 2025, which is anticipated to be completed in 2026.

Prostate Cancer

- **XTR010** is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. XTR010 underwent structural optimization of its targeting ligand, resulting in a notable cost advantage by requiring a smaller dose of radionuclide to achieve similar or improved therapeutic effects. It is currently in the Phase I/II clinical stage.

- **XTR021** is a potential best-in-class, ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC, which is currently under IIT in China. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). In an IIT, XTR021 has shown a rapid prostate-specific antigen response and superior internalization efficiency compared to ^{177}Lu-PSMA-617, indicating enhanced efficacy and reduced treatment-related toxicity. These results suggest XTR021's strong potential as a best-in-class therapy. We plan to submit an IND application to the NMPA in 2026.

- **XTR012** is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from prostate cancer. We submitted the ANDA to the NMPA in February 2025 and expect to receive marketing approval in 2026.

- **XTR020** is an ^{18}F-labeled PSMA-targeted PET radioligand for the diagnosis of prostate cancer. Currently in a Phase III clinical trial, we anticipate to complete the study in 2026.

Other Candidates in Early Development Stage

XTR022, XTR016, XTR017, XTR025, and XTR024 are innovative therapeutic radioligand candidates under preclinical studies or IITs in China, each with first-to-market in China, first-in-class or best-in-class potential.

Neurodegenerative Diseases

Our Core Product, **XTR006**, is a potential best-in-class, ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia, with no approved counterparts in China. Currently in Phase III clinical development for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia in china, we expect to complete the trial in 2027.

Cardiovascular Diseases

Our Core Product, **XTR004**, is the first and only PET-MPI tracer under clinical development in China. We have completed a Phase II clinical trial for myocardial ischemia diagnosis and plan to initiate a Phase III trial in the fourth quarter of 2025. Meanwhile, our Core Product **XTR003** is the world's first and only PET myocardial fatty acid metabolism tracer under clinical development, further underscoring its first-in-class potential. We have completed a Phase I clinical trial and a Phase II clinical trial for XTR003 and expect to initiate a Phase IIb clinical trial in 2025.

The following chart illustrates our product pipeline and summarizes the status of our commercialized product, as well as our selected product candidates under development, as of the Latest Practicable Date:

Abbreviations: NDD = neurodegenerative disease; CVD = cardiovascular disease; SSTR = somatostatin receptor; PPGL = pheochromocytoma and paraganglioma; PSMA = prostate-specific membrane antigen; FAP = fibroblast activation protein; Aβ = β-amyloid; Tau = tubulin associated unit; FFA = free fatty acids; NETs = neuroendocrine tumors; GEP-NETs = gastroenteropancreatic neuroendocrine tumors; NEN = neuroendocrine neoplasm; NEC = neuroendocrine carcinomas; ES-SCLC = extensive-stage small cell lung cancer; mCRPC = metastatic castration-resistant prostate cancer; 2L = second-line treatment; AD = Alzheimer's disease; IND = investigational new drug; IIT = investigator initiated trial; Ph = Phase; NDA = new drug application; ANDA = abbreviated new drug application.

Notes:

(1) XTR012 is the only product candidate in our pipeline that is not a radioligand. It consists of ^{223}Ra-dichloride, a calcium mimetic with a natural affinity for bone tissue. Additionally, as a generic version of Xofigo® by Bayer, XTR012 is the only candidate in our pipeline that does not require clinical trials to demonstrate safety and efficacy for marketing approval. It is therefore the only candidate in our pipeline eligible for approval through the ANDA pathway.

(2) The targeting ligand of XTR003 is a free fatty acid analog that leverages the myocardium's fatty acid metabolism to assess myocardial viability. XTR003 enters cardiac cells through fatty acid transport proteins and CD36 receptors, both of which play key roles in mediating the uptake of free fatty acids into myocardial tissue.

(3) As of the Latest Practicable Date, all of our pipeline products were marketed or under development in China. Certain clinical stages of our product candidates, including XTR008, XTR006, XTR015, XTR012 and XTR020, were not required by the NMPA. For details regarding the clinical development process and material communications with the NMPA, see "– Material Communications with Competent Authorities" and "– Summary of Clinical Trial (Results)" under the introduction of each product candidate.

(4) We have entered into collaboration agreements with multiple partners, including Life Molecular Imaging Ltd., INPC, Cerveau, Beijing Normal University, and BED, regarding intellectual property rights of commercialized product XTR005, as well as the product candidates XTR008, XTR006, XTR004, and XTR020. In addition, we also entered into an agreement with an Independent Third Party to in-license exclusive global rights related to XTR010. For details concerning the terms of the collaboration agreements related to our Core Products XTR008, XTR006 and XTR004, see "– Collaboration Arrangements." For additional information regarding the collaboration arrangements related to XTR010, XTR020 and XTR005, see "– Product Candidates – XTR010 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy – Licenses, Rights and Obligations", "– Product Candidates – XTR020 – ^{18}F-labeled PSMA-targeted PET Tracer – Licenses, Rights and Obligations," and "– Marketed Products – XTR005," respectively.

Source: Company data

PRODUCT CANDIDATES

Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand

Our Core Product, XTR008, is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. By targeting SSTR, XTR008 delivers ^{177}Lu to SSTR-overexpressing tumor cells, where it releases β-rays that cause DNA damage, disrupt cell replication, and/or trigger cell death, thereby achieving its therapeutic effect. As the potential first SSTR-targeted radioligand therapy for GEP-NETs in China, we have obtained clinical data from a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, well-differentiated low-grade (G1) or intermediate-grade (G2) GEP-NETs, and submitted an NDA to the NMPA in March 2025, with marketing approval expected in 2026.

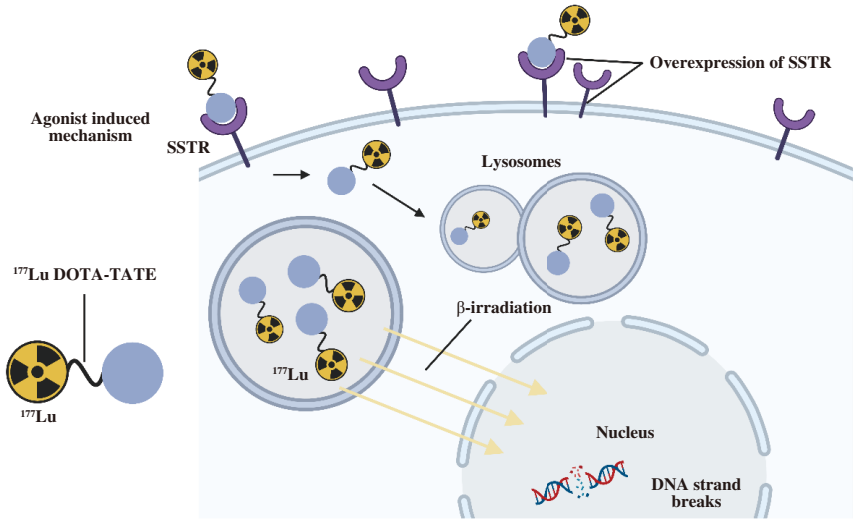
Beyond seeking approval for G1 or G2 GEP-NETs, we are also exploring the clinical potential of XTR008 in patients with SSTR-positive NENs excluding G1 or G2 GEP-NETs, including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive PPGL or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN. As of the Latest Practicable Date, we were conducting a Phase II clinical trial in China, and anticipate to complete the trial in 2026.

Mechanism of Action

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. Based on histology, NENs are classified into two major types: well-differentiated NETs and poorly differentiated NECs. NETs are further divided into three grades, G1, G2, and G3, based on how rapidly the cancer cells divide.

SSTRs are expressed in approximately 90% of NENs and approximately 80% of GEP-NETs overexpress SSTRs, making them ideal targets for the diagnosis and treatment of NENs. One of the most effective treatment approaches for SSTR-positive NENs is radioligand therapy, which utilizes SSTR-targeted radiopharmaceuticals. Radiolabeled somatostatin analogs selectively bind to these receptors, enabling precise tumor targeting while minimizing damage to surrounding healthy tissues.

The active ingredient of XTR008, i.e. ^{177}Lu-DOTATATE, specifically binds to and is internalized by tumor cells that overexpress SSTRs, particularly neuroendocrine tumors. The β-rays emitted during the radioactive decay of ^{177}Lu induce DNA damage, disrupt tumor cell replication, and/or trigger cell death, thereby exerting a therapeutic effect on tumors.



Source: Company data

Market Opportunities and Competition

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. According to CIC, the incidence of NEN globally and in China increased from 437,800 and 49,300, respectively, in 2018 to 557,200 and 60,300, respectively, 2024, and is forecasted to further grow to 755,200 and 73,500, respectively, in 2035. GEP-NENs are a heterogeneous and complex group of tumors that originate from cells of the diffuse neuroendocrine system and are commonly found in the intestine, pancreas, and bronchopulmonary system. As a major subtype of NENs, GEP-NETs account for approximately 65% to 75% of all NENs and approximately 80% of GEP-NETs overexpress SSTRs.

Surgery and endoscopic removal have long been the primary treatment approach for patients with resectable locoregional GEP-NENs; however, if surgery is not feasible due to individual patient factors, a multi-disciplinary team should guide systemic therapy. If systemic therapy reduces the tumor to a resectable state, surgical intervention should be reconsidered.

In locally advanced or metastatic cases where resection is not possible, several treatment modalities are employed. For liver-dominant disease, liver-directed therapies such as hepatic resection, arterial embolization, percutaneous thermal ablation, or radiotherapy are considered. For oligometastatic or symptomatic metastases, palliative radiotherapy is used, except for mesenteric masses. For locally advanced unresectable tumors, radiotherapy combined with fluoropyrimidine-based chemotherapy may be an option. Systemic therapy for GEP-NENs is tailored according to tumor differentiation and histological grade, with distinct treatment strategies for each subtype.

- For well-differentiated Grade 1 and Grade 2 NETs, Grade I recommended systemic treatment typically involves somatostatin analogs such as somatostatin LAR or lanreotide. In cases where the disease progresses, PRRT with ^{177}Lu-DOTATATE is recommended for SSTR-positive tumors. Additional therapeutic options include targeted therapies such as everolimus, sunitinib, surufatinib, and chemotherapy with temozolomide plus capecitabine.

- For well-differentiated Grade 3 NETs, PRRT with ^{177}Lu-DOTATATE can be the Grade I recommended systemic treatment if the tumor is SSTR-positive. Participation in clinical trials also remains to be an option.

Radioligand therapy, particularly PRRT, represents a targeted treatment approach that combines a tumor-targeted molecule with a radioactive payload. In the context of NENs, PRRT employs somatostatin analogs labeled with beta-emitting radionuclides, such as ^{177}Lu or 90Y, which selectively bind to SSTRs overexpressed on tumor cell membranes. Once bound, the targeting ligand delivers localized radiation to the tumor, inducing DNA damage and cell death, while sparing surrounding healthy tissue leveraging the short path length of beta particles. ^{177}Lu has become the gold standard for radionuclide therapy due to its favorable physical and safety profile. It emits low-energy beta radiation, which is effective for tumor control while minimizing damage to surrounding tissues, especially the kidneys.

^{177}Lu-DOTATATE, one of the most widely used PRRT agents, has been approved in both the U.S. and EU for the treatment of SSTR-positive, well-differentiated GEP-NETs. The Phase III NETTER-1 trial demonstrated that Lutathera® significantly prolonged median PFS to 28.4 months compared to 8.5 months with high-dose somatostatin LAR in patients with G1 or G2 GEP-NETs. Building on this, the Phase III NETTER-2 trial confirmed the benefit of ^{177}Lu-DOTATATE in newly diagnosed patients with advanced Grade 2 or 3 GEP-NETs, showing a median PFS of 22.8 months, again outperforming high-dose somatostatin LAR.

The global market for SSTR-targeted therapeutic radioligands was valued at US$0.2 billion in 2018 and increased to US$0.7 billion in 2024, reflecting a CAGR of 27.7%. This market is projected to reach US$3.4 billion in 2035, with a CAGR of 15.0% from 2024 to 2035. In China, there was no SSTR-targeted therapeutic radioligand approved for NEN treatment as of the Latest Practicable Date. However, with the anticipated approval of the first SSTR-targeted therapeutic radioligand in 2026, the market in China is expected to grow rapidly and reach RMB5.4 billion in 2035.

As of the Latest Practicable Date, Lutathera® was the only radioligand therapy approved for the treatment of GEP-NETs on a global scale. It was first approved by the FDA in 2018 as a second-line treatment in combination with somatostatin LAR for adults with SSTR-positive GEP-NETs. In 2024, the FDA expanded its indication to include pediatric patients aged 12 years and older. Currently, Lutathera® is commercially available in the U.S., Canada, the EU, and Japan, though it has not yet been launched in China. Since its approval, Lutathera® has demonstrated strong sales momentum, growing from US$167 million in 2018 to US$724 million in 2024, making it one of the fastest-growing products in Novartis' portfolio.

As of the Latest Practicable Date, five SSTR-targeted therapeutic radioligands were under Phase III or later-stage clinical development globally. XTR008, with its NDA accepted by the NMPA, stands out as the most clinically advanced product candidate with the first-to-market potential in China. For details regarding the competitive landscape of SSTR-targeted therapeutic radioligands, see "Industry Overview – Major Indications – NEN – Treatment of NEN."

Competitive Advantages

Well-Validated Clinical Benefits of the Brand-name Product

XTR008 for the treatment of G1 or G2 GEP-NETs is classified as a Class 3 chemical drug, developed as a generic version of Lutathera®, which was approved based on the significant clinical benefits.

Novartis received marketing approvals for Lutathera® from the FDA in 2018, based on the results of the registrational Phase III NETTER-1 clinical trial. The trial demonstrated that adding ^{177}Lu-DOTATATE, the active ingredient of Lutathera®, to best supportive care including somatostatin LAR led to a 79% reduction in the risk of disease progression or death in patients with inoperable midgut neuroendocrine tumors, compared with standard care alone. The treatment also showed a significant survival benefit, with a progression-free survival rate of 65.2% at 20 months in the ^{177}Lu-DOTATATE group, compared to only 10.8% in the control group. Myelosuppression was mild and occurred in less than 10% of patients in the treatment group.

In the Phase III NETTER-2 trial, the median PFS was 8.5 months in the control group, and 22.8 months in the ^{177}Lu-DOTATATE group, demonstrating that first-line ^{177}Lu-DOTATATE combined with somatostatin LAR significantly extended median PFS by 14 months in patients with G2 or G3 advanced GEP-NETs.

Encouraging Safety and Efficacy Profile According to Phase III Clinical Trial

We have observed encouraging safety and efficacy of XTR008 in our concluded registrational Phase III trial in patients with G1 or G2 advanced GEP-NETs. The Phase III clinical study conducted in China demonstrated that the XTR008 treatment group significantly outperformed the control group in terms of median PFS and ORR. These results also showed a clear advantage over existing approved treatments in China.

Potential Superior Safety

In the NETTER-1 trial for Lutathera®, among a total of 229 patients, 76% of patients in the treatment group received all four planned doses. Among them, 26.1% received a cumulative dose of ≥800 mCi of Lutathera®, and 79.3% received ≥600 mCi. Dose reductions were required in 6% of patients, while 13% discontinued treatment early due to reasons including renal-related adverse events (5 patients, 4.5%) and hematologic toxicity (4 patients, 3.6%). The incidence of myelosuppression in the Lutathera® group was as follows: anemia in 81% of patients (Grade ≥3: 0%), thrombocytopenia in 53% of patients (Grade ≥3: 1.0%), and neutropenia in 26% of patients (Grade ≥3: 3.0%).

In comparison, the Phase III clinical trial of XTR008 involved higher dosing than Lutathera®: 88.8% of patients received all four planned doses, 43.9% received a cumulative dose ≥800 mCi, and 90.8% received ≥600 mCi. The AE profile was similar to that of Lutathera®, but the overall incidences of anemia and thrombocytopenia across all grades were lower (55.1% vs. 81.0% and 50.0% vs. 53.0%, respectively). Moreover, the proportions of patients requiring dose reduction or permanent discontinuation due to treatment-related adverse events were comparable between XTR008 and Lutathera® (14.3% vs. 6.0% and 8.2% vs. 13.0%, respectively), allowing better assurance of treatment frequency and total cumulative dosage in the XTR008 group.

In the NETTER-1 study, among 194 enrolled patients, the incidence of renal failure-related AEs (including decreased glomerular filtration rate, acute kidney injury, prerenal failure, azotemia, renal disorders, renal failure, and renal insufficiency) was 13% (Grade ≥3: 3.0%). Radiation-associated urinary system AEs occurred in 9% of patients (Grade ≥3: 0%), and elevated serum creatinine was observed in 85% (Grade ≥3: 1.0%). In contrast, in our Phase III clinical trial of XTR008, the incidence of increased blood creatinine was only 2.0% (Grade ≥3: 1.0%).

The incidence of myelodysplastic syndrome ("**MDS**") in the NETTER-1 study was 2.3%. In the Phase I/II ERASMUS study, the incidence of MDS and acute leukemia was 2.0% and 0.5%, respectively, with median times to onset of 29 months (range: 9 to 45 months) and 55 months (range: 32 to 155 months). By comparison, in the Phase III clinical trial of XTR008, only one patient (1.0%) had developed secondary MDS by the data cut-off date June 26 2024, approximately 16 months after the first dose. No cases of acute leukemia or other secondary malignancies were reported. Therefore, based on indirect non-head-to-head comparisons, XTR008 demonstrated a safety profile in the Chinese population that is not inferior to, and potentially better than, Lutathera®.

Potential Superior Efficacy

In the NETTER-1 trial for Lutathera®, the median PFS assessed by an independent review committee was not reached in the treatment group, compared to 8.5 months in the control group. The ORR was 13% in the treatment group versus 4% in the control group. Subsequent updated results confirmed a median PFS of 28.4 months for the treatment group versus 8.5 months for the control group.

In a non-head-to-head comparison, the Phase III clinical trial of XTR008 (XT-XTR008-3-01) demonstrated PFS and other efficacy indicators similar to or more favorable than those observed in the NETTER-1 trial. Although based on an indirect non-head-to-head comparison, these data provide a reasonable degree of confidence that XTR008 may offer non-inferior, and potentially superior, efficacy compared to Lutathera® in adult Chinese patients with GEP-NETs. Specifically, in the XT-XTR008-3-01 study, the median PFS was not reached in the treatment group, while it was 5.8 months in the control group. The ORR was 43.4% in the treatment group compared to 1% in the control group.

	XT-XTR008-3-01		NETTER-1	
	XTR008 N = 99	Somatostatin LAR N = 97	Lutathera® with somatostatin LAR N = 116	Somatostatin LAR N = 113
PFS by IRC				
Endpoint Events (%)	11 (11.1%)	67 (69.1%)	27 (23%)	78 (69%)
Progressive disease, n (%)	7 (7.1%)	66 (68.0%)	15 (13%)	61 (54%)
Death, n (%)	4 (4.0%)	1 (1.0%)	12 (10%)	17 (15%)
Median in months (95% CI)	NR (16.13, NE)	5.8 (5.65, 8.41)	NR (18.4, NE)	8.5 (6.0, 9.1)
Hazard ratio (95% CI)	0.06 (0.031, 0.136)[a]		0.21 (0.13, 0.32)[b]	
p-value	< 0.001[c]		< 0.0001[d]	
ORR by IRC				
ORR, % (95% CI)	43.4% (33.50%, 53.77%)	1% (0.03%, 5.61%)	13% (7%,19%)	4% (0.1%, 7%)
Complete response rate, n (%)	0	0	1 (1%)	0
Partial response rate, n (%)	43 (43.4%)	1 (1.0%)	14 (12%)	4 (4%)
p-value	< 0.001[e]		0.0148[f]	
Duration of response, median in months (95% CI)	NR (8.41, NE)	NR (NE, NE)	NR (2.8, NE)	1.9 (1.9, NE)

Abbreviations: CI = confidence interval; IRC = independent radiology committee; NE = not evaluable; NR = not reached; ORR = overall response rate; PFS = progression-free survival.

Notes:

a. Hazard ratio based on the stratified Cox model;

b. Hazard ratio based on the unstratified Cox model;

c. stratified log rank test;

d. Unstratified log rank test;

e. Cochran-Mantel-Haenszel test; and

f. Fisher's exact test.

Source: Company data, Literature review

The improved safety and efficacy profile may be attributed to multiple factors, including differences in patient populations and treatment regimens. Unlike the NETTER-1 study, which enrolled only patients with midgut GEP-NETs, the Phase III clinical trial of XTR008 included a more diverse patient population with GEP-NETs of all origins, the majority of which were non-midgut in origin. The Phase III clinical trial demonstrated an improved efficacy advantage of XTR008 compared to previously reported study results, representing the first evidence of its therapeutic potential in Chinese GEP-NET patients.

Favorable Marketing Opportunity with Limited Competition

Since its launch, Lutathera® has experienced rapid sales growth and has become one of the fastest-growing segments within Novartis' existing product portfolio. According to the historical sales record, in 2024, the global Lutathera® sales reached approximately US$724.0 million. According to CIC, driven by the rising incidence of cancer, precise targeting, and unique theranostic advantage that integrates diagnosis and treatment, in 2035, the market size of SSTR-targeted therapeutic radioligands globally is expected to reach US$3.4 billion. With the expected approval of XTR008 in China in 2026, the market size of SSTR targeted therapeutic radioligands in China is expected to rise significantly from RMB2.3 billion in 2031 to RMB5.4 billion in 2035, representing a robust CAGR of 23.7%.

In China, due to the high entry barrier in the research and development of radiopharmaceuticals, the competitive landscape favors XTR008. Among the three ^{177}Lu-DOTATATEs under clinical development in China as of the Latest Practicable Date, XTR008 is the most clinically advanced product candidate, being the first to apply for marketing approval. It is also the most clinically advanced SSTR-targeted therapeutic radioligand in China.

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We have received IND approvals to conduct clinical trials of XTR008 for SSTR-positive NENs excluding G1 or G2 GEP-NETs that express SSTR in China and initiated a Phase II clinical trial in June 2024.

Advantages in Production Costs

Leveraging our collaboration agreement with the INPC, we have secured an exclusive supply of ^{177}Lu from INPC for the commercial production of ^{177}Lu-DOTATATE. Additionally, XTR008 will be manufactured by the INPC and then in our Sichuan manufacturing site, which is currently under construction. By localizing production, XTR008 potentially offers significant cost advantages in manufacturing, distribution, and commercialization compared to imported products.

Summary of Clinical Trial Results

As of the Latest Practicable Date, we had conducted a Phase III clinical trial in patients with G1 or G2 GEP-NETs in China, which incorporated pharmacokinetics and radiation dosimetry studies. Phase II clinical trials are not required to be conducted.

In addition, we were conducting a Phase II clinical trial in patients with SSTR-positive NENs excluding G1 or G2 GEP-NETs. Phase I clinical trials are not required to be conducted.

Phase III Clinical Trial of XTR008 in Patients with G1 or G2 GEP-NETs

Trial Design. This is a multicenter, randomized, open-label, parallel-controlled Phase III clinical trial designed to evaluate the efficacy and safety of XTR008 monotherapy in patients with G1 or G2 GEP-NETs, as well as to assess the radiation dosimetry and pharmacokinetic profile following a single dose. The study was conducted in China and sponsored by us. A total of 194 patients enrolled in this study. The enrolled patients were randomized in a 1:1 ratio to receive either XTR008 (treatment group) or somatostatin LAR (control group). In the treatment group, patients received XTR008 at a dose of 7.4 GBq (200 mCi) ±10% per administration, administered intravenously once every eight weeks for a total of four doses. In the control group, patients received somatostatin LAR at a dose of 60 mg, administered intramuscularly once every four weeks until disease progression. If disease progression occurred, further treatment could also be continued upon the investigator's judgment and sponsor's agreement, provided continued benefit was expected.

The primary objective of the study is to determine whether XTR008 offers superior PFS compared to high-dose somatostatin LAR in patients with inoperable or metastatic, progressive, well-differentiated (G1 or G2), SSTR-positive GEP-NETs. Secondary objectives include evaluating additional efficacy endpoints, assessing health-related quality of life, and comparing the safety and tolerability between the two treatment groups.

Trial Status. We initiated the study in August 2022, and completed interim analysis of this study in November 2024.

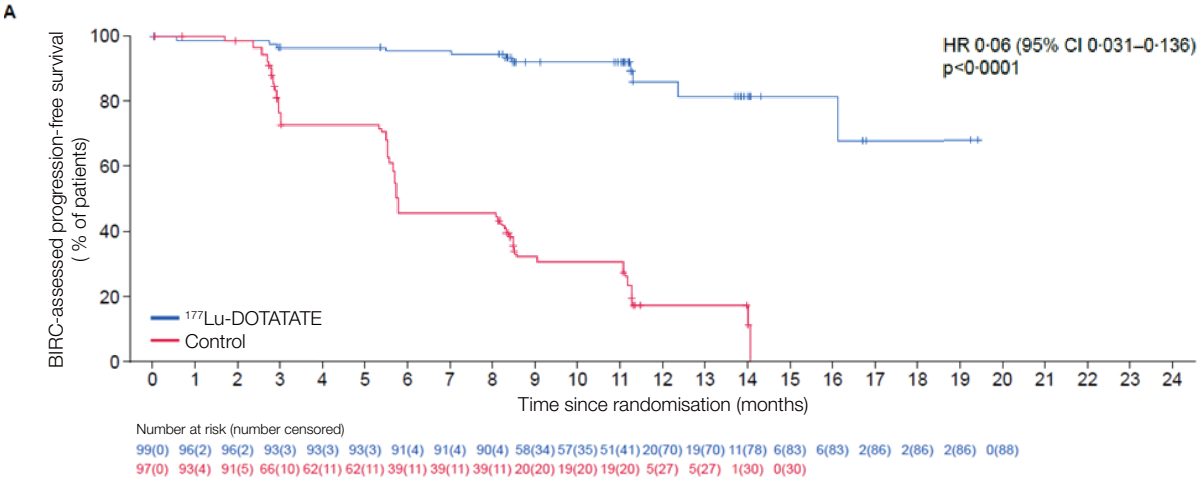
Safety Profile. In the treatment and control groups, the incidence of treatment-emergent adverse events ("**TEAEs**") related to the study drug was 95.9% and 57.3%, respectively. The incidence of treatment-emergent serious adverse events related to the study drug during the treatment period was 6.1% in the treatment group and 3.1% in the control group. Grade ≥3 TEAEs related to the study drug occurred in 51.0% of patients in the treatment group vs. 10.4% in the control group. TEAEs related to XTR008 leading to treatment interruption (i.e., dosing delays) occurred in 6.1% and 1.0% of patients; TEAEs leading to dose reduction occurred in 14.3% vs. 1.0%; and TEAEs related to XTR008 leading to permanent treatment discontinuation occurred in 8.2% vs. 0%, in the treatment group and in the control group respectively. No TEAE led to withdrawal from the study. One TEAE resulting in death occurred, but it was deemed unrelated to the study drug. Adverse events of special interest in the treatment group occurred in 31.6% of patients, including bone marrow suppression (30 cases, 30.6%), myelodysplastic syndrome (MDS, 1.0%), and renal impairment (2.0%). No cases of acute myeloid leukemia or other secondary malignancies were reported.

The most common study drug-related TEAEs (≥10% incidence in the treatment group vs. control group) included: decreased lymphocyte count (72.4% vs. 2.1%), decreased white blood cell count (68.4% vs. 1.0%), anemia (54.1% vs. 0%), decreased platelet count (49.0% vs. 2.1%), decreased neutrophil count (46.9% vs. 1.0%), elevated AST (30.6% vs. 12.5%), nausea (30.6% vs. 4.2%), elevated ALT (29.6% vs. 10.4%), decreased appetite (17.3% vs. 1.0%), elevated alkaline phosphatase (15.3% vs. 6.3%), elevated GGT (15.3% vs. 4.2%), vomiting (15.3% vs. 2.1%), fatigue (12.2% vs. 1.0%), alopecia (11.2% vs. 0%), and asthenia (10.2% vs. 3.1%).

For Grade ≥3 TEAEs related to the study drug with an incidence ≥10%, the most common events (treatment group vs. control group) were: decreased lymphocyte count (41.8% vs. 0%), decreased white blood cell count (15.3% vs. 0%), decreased neutrophil count (11.2% vs. 0%), and decreased platelet count (11.2% vs. 0%). Although the overall incidence of Grade ≥3 TEAEs was numerically higher in the treatment group, most were laboratory abnormalities, primarily asymptomatic and reversible, with Grade ≥3 lymphopenia being the most common (41.8%) and not requiring clinical intervention.

Efficacy Profile. In this study, XTR008 demonstrated significantly improved PFS compared to somatostatin LAR, with a median PFS not reached vs. 5.8 months.

Assessment of PFS Based on BIRC



Source: Company data

In the treatment group, a total of 11 subjects (11.1%) experienced an endpoint event, including seven cases (7.1%) of disease progression and four cases (4.0%) of death. The median PFS was not reached. In the control group, 67 subjects (69.1%) experienced an endpoint event, with 66 cases (68.0%) of disease progression and 1 case (1.0%) of death. The median PFS was 5.8 months.

Out of the total 99 patients, 43 were confirmed to have a PR by the Blinded Independent Review Committee ("**BIRC**") evaluation, with no CR, resulting in ORR of 43.4%. In the control group, out of the total 97 patients, one patient was confirmed to have a PR by the BIRC evaluation, with no CR, resulting in an ORR of 1.0%.

Out of the total 99 patients, 94 were confirmed by BIRC as having PR or SD, with no CR, resulting in a DCR of 94.9%. In the control group, out of the total 97 patients, 70 were confirmed by BIRC as having PR or SD, with no CR, resulting in a DCR of 72.2%.

Among the 43 patients (43.4%) in the treatment group who achieved a response, only one patient (1.0%) experienced disease progression and only one patient (1.0%) died. The median DoR was not reached. In the control group, only one patient (1.0%) achieved a partial response, who had not experienced disease progression at the time of analysis, and the median DoR was NR.

A Summary of Efficacy Results

	XTR008 N = 99	Somatostatin LAR N = 97
PFS by BIRC		
Events (%)	11 (11.1)	67 (69.1)
Progressive disease, n (%)	7 (7.1)	66 (68.0)
Death, n (%)	4 (4.0)	1 (1.0)
Median in months (95% CI)	NR (16.13, NE)	5.8 (5.65, 8.41)
Hazard ratio (95% CI)[a]	0.06 (0.031, 0.136)	
p-value[b]	< 0.001	
ORR by BIRC		
ORR, % (95% CI)	43.4% (33.50%, 53.77%)	1.0% (0.03%, 5.61%)
Complete response rate, n (%)	0	0
Partial response rate, n (%)	43 (43.4%)	1 (1.0%)
Stable Disease rate, n (%)	51 (51.5%)	69 (71.1%)
p-value[c]	< 0.001	
Duration of response, median in months (95% CI)	NR (8.41, NE)	NR (NE, NE)
DCR by BIRC		
DCR, % (95% CI)	94.9% (88.61%, 98.34%)	72.2% (62.14%, 80.79%)
p-value	< 0.001	

Abbreviations: CI = confidence interval; IRC = independent radiology committee; NE = not evaluable; NR = not reached; ORR = overall response rate; PFS = progression-free survival.

Notes:

a Hazard ratio based on the stratified Cox model;

b stratified logrank test; and

c Fisher's exact test.

Source: Company data

Conclusion. For adult patients with inoperable or metastatic, progressive, well-differentiated (G1 or G2), SSTR-positive GEP-NETs, XTR008 significantly improved multiple efficacy endpoints – including PFS and ORR – compared with high-dose octreotide acetate microspheres. At the same time, it demonstrated a manageable overall safety profile and good tolerability. The adverse event profile is similar to that of the reference drug Lutathera®, with no new safety signals observed.

Phase II Clinical Trial of XTR008 in Patients with SSTR-positive NENs Excluding G1 or G2 GEP-NETs

Trial Design. This study is an open-label, single-arm Phase II trial to evaluate the safety and efficacy of XTR008 in the treatment of SSTR-positive NENs excluding G1 or G2 GEP-NETs. The trial is sponsored and conducted by us in China. The study drug, XTR008, provided at a concentration of 370MBq/mL, is administered intravenously a dose of 7.4 GBq (200 mCi) per administration, given once every eight weeks for a total of four doses.

The primary objective is to evaluate the safety, with the primary endpoints including AEs and other abnormal laboratory/test findings, as well as preliminary efficacy. Secondary objectives are to determine the efficacy endpoints, with endpoints encompassing ORR, PFS, DoR, time to progression ("**TTP**"), DCR, 12-month PFS rate, OS, the proportion of patients achieving a ≥50% reduction in antihypertensive medication use from baseline sustained for more than 6 months, and patient-reported outcomes assessed using the EORTC QLQ-C30 and GI.NET21 questionnaires, which are valid and responsive tool for assessing quality of life in cancer patients.

Trial Status. We initiated this trial in June 2024. As of the Latest Practicable Date, the trial was still ongoing.

Clinical Development Plan

We have completed interim analysis of the registrational Phase III clinical trial of XTR008 for the treatment of G1 or G2 GEP-NENs in China. In March 2025, we have submitted the clinical results from the Phase III trial to the NMPA for NDA. The NDA was accepted by the NMPA in April 2025, and we expect to receive NDA approval in 2026.

Additionally, we are investigating XTR008 as a Class 2 chemical drug for NENs excluding G1 or G2 GEP-NETs, including patients (i) with SSTR-positive G3 GEP-NET, (ii) with SSTR-positive PPGL or (iii) with SSTR-positive NEN (other than GEP-NET and PPGL), encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN, in a Phase II clinical trial. We plan to complete the trial in 2026, and initiate a registrational Phase III trial based on data readout from the Phase II trial.

Licenses, Rights and Obligations

Starting in July 2019, we entered into a series of agreements (the "**XTR008 Collaboration Agreements**") with the INPC to co-develop XTR008, i.e., ^{177}Lu-DOTATATE injection. For details regarding the XTR008 Collaboration Agreements, see "– Collaboration Arrangements." We have filed multiple invention patent applications, and two have been granted as patents for the innovative process and related equipment of XTR008 as of the Latest Practicable Date. For further details regarding the patent applications and granted patents related to XTR008, see "– Intellectual Property." Therefore, we have global rights to develop, manufacture and commercialize XTR008.

Material Communications with Competent Authorities

Our communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for XTR008 are outlined as follows:

- In March 2022, we received IND approval from the NMPA to initiate Phase III clinical trials of XTR008 for the treatment of G1 or G2 SSTR-positive GEP-NETs.

- In January 2024, we received IND approval from the NMPA for conducting Phase II clinical trials of XTR008 for the treatment of SSTR-positive NENs excluding G1 or G2 GEP-NETs.

- In September 2024, based on the data from our completed interim analysis of the Phase III clinical trial, we consulted with the CDE regarding the submission of an NDA for XTR008 for the treatment of adult and pediatric patients of 12 years and older with SSTR-positive GEP-NETs, including foregut, midgut, and hindgut neuroendocrine tumors. In December 2024, we received regulatory clearance from the NMPA for the NDA submission.The NDA was accepted by the NMPA in April 2025.

We have not received any concerns or objections from the NMPA related to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY MARKET XTR008 FOR THE TREATMENT OF GRADE 1 OR GRADE 2 GEP-NETS IN CHINA AND DEVELOP AND MARKET XTR008 FOR THE TREATMENT OF NENS (EXCLUDING GRADE 1 OR GRADE 2 GEP-NETS) SUCCESSFULLY.

Core Product – XTR006 – Potential Best-in-class ^{18}F-labeled Tau-targeted PET Tracer

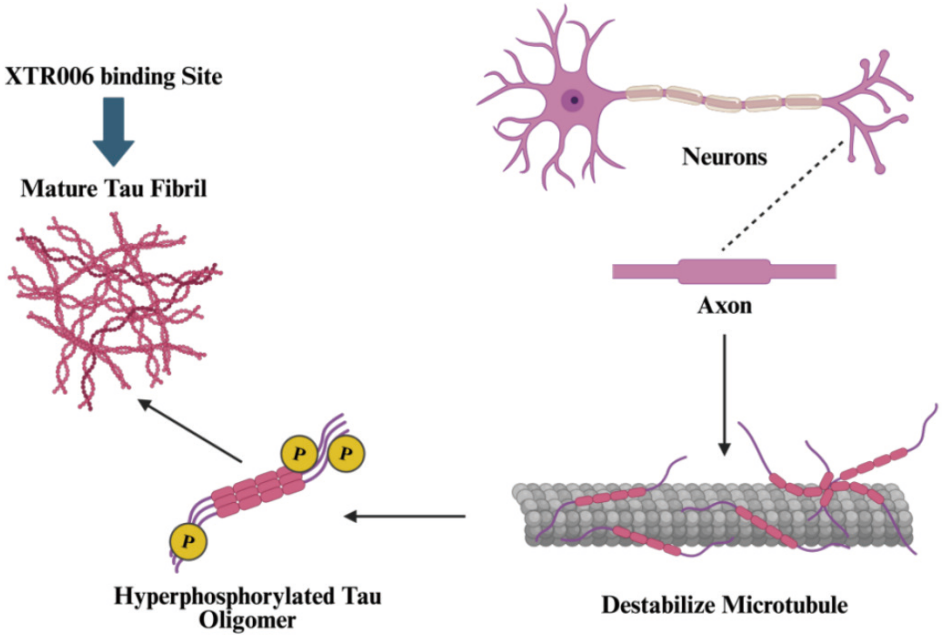
Our Core Product XTR006 is a potential best-in-class, ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. Radioactive fluorine isotope ^{18}F of XTR006 enables PET imaging to visualize and quantify the distribution and burden of NEFs in the brain according to specifically bind with tau protein. Since tau pathology occurs downstream of Aβ accumulation in the pathogenesis of AD, and Aβ is believed to promote the transformation of tau into its toxic form, XTR006 is designed to diagnose patients with MCI or AD who are Aβ-positive but exhibit minimal symptoms such as cognitive decline. Moreover, according to the critical role of tau PET in staging and prognosis assessment, XTR006 has the potential to serve as a powerful precision diagnostic tool for distribution and quantitative assessment, providing accurate insights to guide AD treatment decisions. As of the Latest Practicable Date, we were conducting a Phase III clinical trial of XTR006 for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia. We expect to complete the trial in 2027.

Mechanism of Action

AD is a neurodegenerative disorder and the leading cause of dementia. Tau protein is a key biomarker of AD, and its detection aids in disease staging and prognosis prediction. Additionally, tau PET serves as a crucial companion diagnostic tool in the development and clinical application of AD therapies, supporting patient selection and treatment efficacy assessment.

Tau PET is the only non-invasive imaging technology capable of directly visualizing the extent and spatial distribution of NFTs in the brain, allowing precise localization and quantitative assessment of tau pathology. Its imaging characteristics strongly correlate with Braak staging (a neuropathological description of the predictable topographic progression of the neuropathology), accurately reflecting AD severity and disease progression, thus providing an *in vivo* diagnostic reference aligned with pathological gold standards. As a crucial component of the amyloid, tau, neurodegeneration ("**A/T/N**") diagnostic framework, tau PET offers objective and reliable tau pathology evidence, enhancing diagnostic accuracy. Additionally, studies indicate that MCI patients who test positive for both amyloid and tau face a significantly higher risk (up to 26.7 times) of progressing to dementia compared to amyloid-positive but tau-negative individuals, demonstrating its predictive advantage. Furthermore, tau PET findings closely correlate with cognitive decline, with tau deposition patterns aligning both temporally and functionally with clinical symptoms – an association not observed with amyloid PET.

XTR006 is an innovative PET radiotracer labeled with the radioactive fluorine isotope ^{18}F, exhibiting high affinity for NFTs, which are formed by hyperphosphorylated tau protein. Upon binding to NFTs, XTR006 enables PET imaging to visualize the distribution and extent of tau protein deposition in the brain.



Source: Company data

Market Opportunities and Competition

AD is a prevalent neurodegenerative disorder characterized by progressive cognitive decline, memory impairment, and behavioral changes. Its hallmark pathological features include the accumulation of Aβ plaques, tau protein tangles, and neuronal loss. Although the precise cause of AD remains unclear, a combination of genetic, environmental, and lifestyle factors is believed to contribute to its development. Current treatment strategies primarily aim to manage symptoms and target Aβ and tau pathologies. The clinical progression of AD typically occurs in three stages: (1) preclinical AD, marked by Aβ accumulation and neuronal changes without noticeable symptoms; (2) MCI due to AD, involving measurable cognitive decline while daily functioning remains largely preserved; and (3) dementia due to AD, characterized by significant cognitive and functional impairment, including memory loss, language difficulties, and disorientation, resulting in dependence on caregivers. MCI represents a critical stage for early intervention, with the potential to delay or prevent the onset of dementia.

Epidemiological data indicate that the number of individuals with MCI in China was approximately 36.1 million in 2018 and is expected to increase from 49.6 million in 2024 to 80.6 million in 2035, representing a CAGR of 5.4% from 2018 to 2024 and 4.5% from 2024 to 2035. Similarly, the prevalence of ADOD was 14.7 million in 2018 and is projected to rise from 18.1 million in 2024 to 26.8 million in 2035, reflecting a CAGR of 3.5% from 2018 to 2024 and 3.6% from 2024 to 2035. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. These numbers are expected to grow substantially with the aging population.

Current diagnosis of AD involves a comprehensive and multidisciplinary assessment approach. This includes medical history collection, such as onset details, impact on functioning, neuropsychiatric symptoms, potential triggers, and associated symptoms, as well as physical and neurological examinations covering vital signs, systemic evaluations, cortical functions, and reflexes. Neuropsychological assessments are central, evaluating global cognition, memory, attention, executive function, language, visuospatial abilities, and daily living and social functioning using tools like AD cooperative study scale for activities of daily living in MCI ("**ADCS-MCI-ADL**") and functional activities questionnaire ("**FAQ**"). Neuropsychiatric symptoms are assessed using scales such as the Hamilton Anxiety and Depression Scales and the neuropsychiatric inventory ("**NPI**"). Laboratory evaluations involve blood tests for general parameters and AD-related biomarkers, cerebrospinal fluid testing for pathological markers, and genetic testing. Imaging assessments include PET scans for Aβ and tau pathology, FDG-PET for brain metabolism, MRI for structural changes, and susceptibility weighted imaging ("**SWI**") or T2-weighted gradient echo ("**T2*GRE**") to detect vascular co-pathologies.

The treatment principles for AD include early diagnosis, timely intervention, and lifelong management. Therefore, early diagnosis of AD during the MCI stage is critical for effective disease management. Among the major diagnostic approaches – such as cognitive scales and questionnaires, imaging examinations, body fluid analyses, and genetic testing – only PET imaging and lumbar puncture offer both high sensitivity and high diagnostic accuracy for early-stage detection. However, lumbar puncture is invasive and technically challenging to perform. PET imaging, on the other hand, provides high sensitivity and diagnostic precision by visualizing *in vivo* Aβ and tau protein aggregations, the pathological hallmarks of AD. As diagnostic technologies continue to advance, PET imaging and fluid biomarker testing have significantly enhanced early detection capabilities.

As of the Latest Practicable Date, our 歐韋寧® (or XTR005), an Aβ-targeted PET tracer, was the only pathology-targeted PET tracer approved for the diagnosis of AD in China. Following its official launch in 2025, the market in China is projected to experience significant growth, expanding from RMB2.6 billion in 2031 to RMB9.7 billion in 2035, representing a CAGR of 38.6%.

As of the Latest Practicable Date, there were five pathology-targeted PET tracers under clinical development in China, including two targeting tau protein. With the launch of our XTR005 in 2025 and our Core Product XTR006 advancing to the Phase III clinical stage, we are positioned as the most clinically advanced player in the Chinese market targeting both Aβ and tau for AD diagnosis. For details regarding the competitive landscape of pathology-targeted PET tracers, see "Industry Overview – Major Indications – AD."

Competitive Advantages

Facilitating AD Staging, Prognostic Assessment, and Advancing Therapy Development

As a tau-targeted radioligand, XTR006 has strong potential to facilitate AD staging and prognostic assessment through its targeted mechanism of action. Tau PET plays a crucial role in staging AD, as its imaging results closely align with Braak pathological staging, accurately reflecting tau accumulation at different disease stages. In early AD (Braak I-II), tau pathology is primarily confined to the entorhinal cortex and hippocampus. During mid-stage AD (Braak III-IV), it extends to the limbic system and the temporal neocortex, while in late-stage AD (Braak V-VI), it further spreads to the frontal, parietal, and occipital lobes. By mapping tau distribution in the brain, tau PET objectively determines disease staging and progression.

Moreover, the spatial distribution of tau signals strongly correlates with specific cognitive impairments. For instance, tau accumulation in the entorhinal cortex is associated with memory loss, while high tau burden in the temporoparietal junction corresponds to declines in language and visuospatial functions. This enables precise assessment of disease severity and trajectory, providing a critical window for early diagnosis and intervention.

From a prognostic perspective, tau PET serves as a robust predictor of cognitive decline and disease progression. Studies indicate that MCI patients with both amyloid and tau positivity have a significantly higher risk – up to 26.7 times – of developing dementia compared to those with only amyloid positivity. Furthermore, baseline tau PET positivity is strongly correlated with the rate of cognitive decline, particularly in patients with high tau burden in the medial temporal and posterior temporoparietal regions, who experience more rapid disease progression.

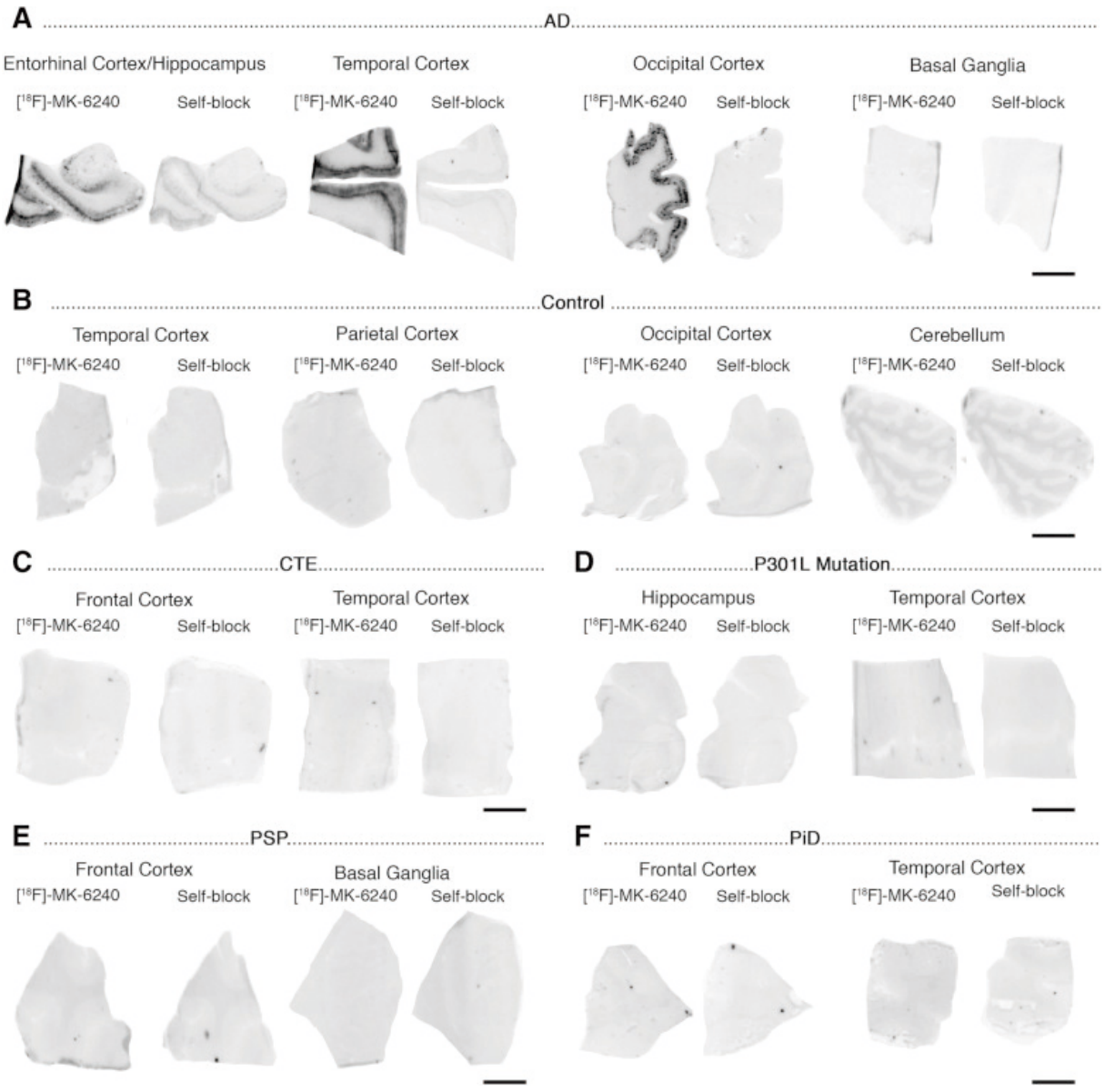
Furthermore, tau PET can also serve as a valuable tool for evaluating treatment efficacy, particularly in the development of tau-targeted therapies. Specifically, in the development and clinical application of AD therapies, tau PET serves as a crucial companion diagnostic tool. Therefore, XTR006 can potentially facilitate patient selection and provide an objective measure for assessing treatment efficacy, particularly for disease-modifying drugs targeting tau pathology.

Superior Specificity for Tau Deposits in AD According to Preclinical Studies and IITs

XTR006 (i.e. MK-6240) is categorized as a Class 1 innovative drug. It is currently the most selective tau PET tracer available. Preclinical studies demonstrated that XTR006 binds specifically to NFTs in the brain of AD animal models, while showing negligible binding to tau aggregates associated with other tauopathies such as progressive supranuclear palsy and corticobasal degeneration.

Researchers conducted a comprehensive autoradiography validation study to assess the binding characteristics of XTR006 using postmortem human brain tissue samples from a wide spectrum of neuropathologically confirmed cases, including AD, various non-AD tauopathies, and control subjects. The study directly compared the regional and substrate-specific binding patterns of XTR006 with those of AV-1451 (or Tauvid®), an approved ^{18}F-labeled tau PET tracer in the U.S., EU and Japan by Eli Lily, and investigated off-target binding, including potential interaction with monoamine oxidase enzymes. The results demonstrated that XTR006 binds with high affinity and selectivity to NFTs in AD brain tissue, while showing minimal binding to tau aggregates in non-AD tauopathies and no detectable binding to Aβ, α-synuclein, or TDP-43 lesions. Furthermore, the study demonstrated that XTR006 and AV-1451 have nearly identical binding profiles. Importantly, XTR006 displays minimal off-target binding to monoamine oxidase enzymes, while AV-1451 exhibits comparatively higher affinity.

Phosphor Screen Autoradiography Results



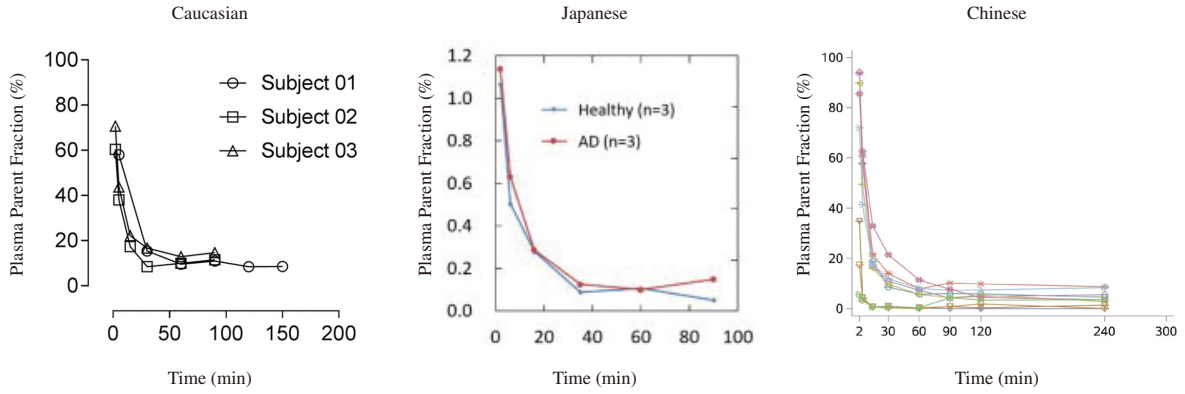
Abbreviations: AD = Alzheimer's disease; CTE = chronic traumatic encephalopathy; PSP = progressive supranuclear palsy; PiD = Pick's disease.

Source: Literature review

Promising Safety and Efficacy Profile According to Clinical Studies

XTR006 has demonstrated a favorable safety profile. A total of over 19,000 patients overseas and over 80 subjects in China have received XTR006, with no drug-related SAEs reported. Most AEs were mild in severity. Data from our Phase I clinical study in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. These findings are consistent with trends observed in both Caucasian and Japanese populations.

Comparison of Venous Plasma Clearance of XTR006 Among Different Racial Groups

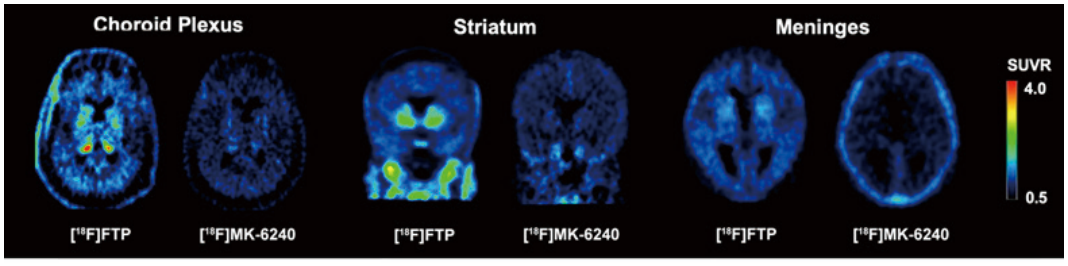


Source: Company data

As a tau PET tracer, XTR006 incorporates an innovative molecular design that effectively overcomes the off-target binding issues observed with approved PET tracers such as AV-1451. This results in significantly improved specificity and a higher signal-to-noise ratio, thereby enhancing imaging quality and diagnostic accuracy.

In a direct, within-subject comparison of the tau PET tracers XTR006 and AV1451, researchers found that AV-1451 frequently exhibited off-target binding in the striatum and choroid plexus, whereas XTR006 showed minimal off-target retention in these regions.

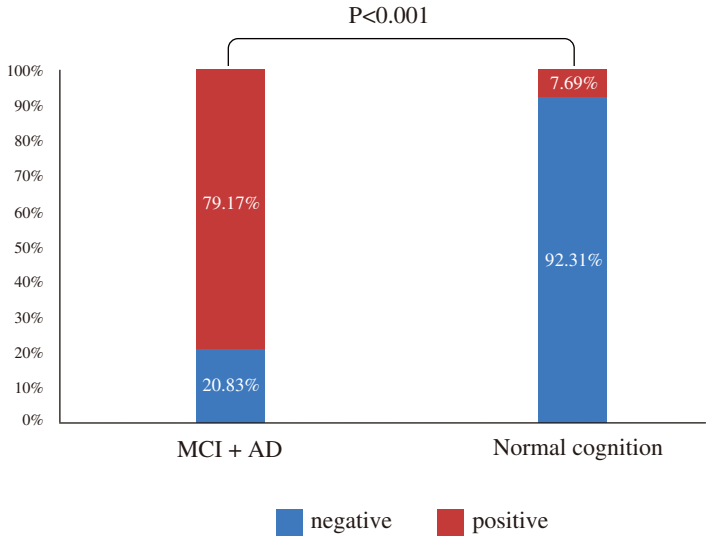
Comparison of Off-target Binding



Source: Literature review

The improved specificity can be potentially translated into clinical benefits. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group, further supporting the potential of XTR006 as a diagnostic agent for AD.

XTR006 PET in Groups of MCI and AD vs. Normal Cognition



Source: Company data

Furthermore, positive results from clinical trials conducted overseas underscore the potential of XTR006. In April 2025, Lantheus announced that MK-6240 successfully met its co-primary endpoints in two pivotal studies evaluating its sensitivity and specificity. This achievement highlights the potential of MK-6240 (XTR006) as a valuable diagnostic tool.

Favorable Marketing Opportunity with Limited Competition

XTR006 has the potential to capture a vast and rapidly growing market. Epidemiological data suggest that the number of MCI patients in China is expected to increase from 49.6 million in 2024 to 80.6 million by 2035, with a CAGR of 4.5%. Likewise, the prevalence of ADOD is projected to grow from 18.1 million to 26.8 million over the same period, reflecting a CAGR of 3.6%. With the aging population, these numbers are anticipated to continue to rise significantly. According to CIC, neurodegenerative diseases affect approximately 10% of individuals over the age of 65. With the acceleration of population aging in China, the demand for AD diagnostics will continue to rise. As of the Latest Practicable Date, there was no approved tau PET tracer in China, positioning XTR006 as a first-mover with the opportunity to fill this critical market gap.

Proprietary R&D and Manufacturing Expertise

Radiopharmaceuticals differ from conventional drugs in that their active pharmaceutical ingredients ("**APIs**") cannot typically be obtained in their active form. Instead, they must be synthesized through radiochemical labeling and immediately formulated into the final dosage form. This makes manufacturing processes a key determinant of formulation feasibility and overall drug development success.

XTR006's manufacturing processes incorporate optimized synthetic pathways to achieve high-yield, high-purity API production, along with advanced radiolabeling and formulation techniques to ensure efficient labeling and a stable final product. XTR006's proprietary research and development capabilities provide a strong foundation for its future clinical success and potential market entry.

Summary of Clinical Trials

As of the Latest Practicable Date, we sponsored and conducted a Phase I clinical trial and a Phase III clinical trial of XTR006 in China. An IIT of XTR006 was sponsored and conducted by an Independent Third Party in China. The Phase II clinical trials are not required to be conducted.

Registrational Phase III Clinical Trial of XTR006 for the Early Diagnosis of Patients with Suspected MCI due to AD or AD Dementia

Trial Design. This is a single-blind Phase III clinical trial designed to evaluate the efficacy and safety of XTR006 for detecting NFTs in the brains of elderly subjects. The clinical trial is sponsored and conducted by us in China. All enrolled subjects will receive a single intravenous injection of 5 mCi XTR006.

The primary objective of the study is to assess the sensitivity and specificity of visual interpretation of XTR006 compared with the reference standard. Secondary objectives include comparing the overall patterns of XTR006 brain uptake among subjects with MCI due to AD, AD dementia, and cognitively normal individuals, evaluating inter-reader agreement in interpreting XTR006 PET images, and assessing safety.

Trial Status. This trial was initiated in November 2024, and the trial was ongoing as of the Latest Practicable Date.

Phase I Clinical Trial of XTR006 in Healthy Adults Aged 50 to 70 Years

Trial Design. This is an open-label Phase I clinical trial of XTR006 in healthy middle-aged adults and elderly aged 50 to 70 years, conducted to evaluate its safety, biodistribution, radiation dosimetry, and pharmacokinetics. The trial was sponsored and conducted by us in China. A total of ten subjects were enrolled. The average administered radioactivity was 9.24 mCi through a single bolus intravenous injection.

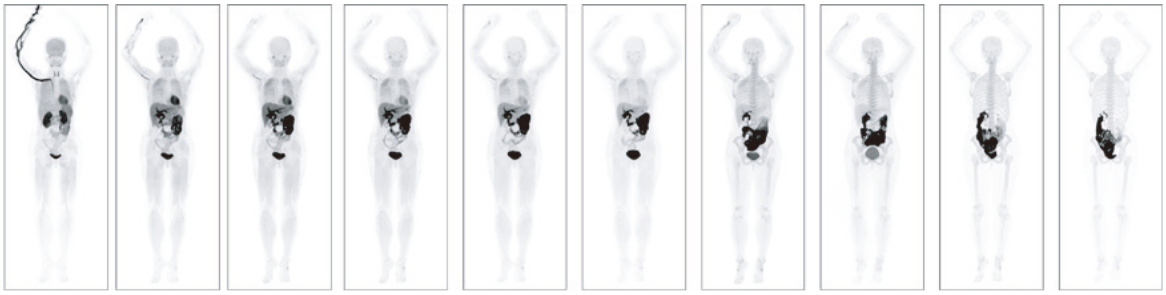
The primary objective of this study is to assess the safety of a single bolus intravenous injection of XTR006 in healthy middle-aged adults and elderly in China. The secondary objectives are to evaluate the biodistribution (via PET imaging), radiation dosimetry, and pharmacokinetic profile of a single bolus intravenous dose of XTR006 in these healthy middle-aged adults and elderly.

Trial Status. We initiated the study in June 2023, completed the last patient's last visit in September 2023, and completed this trial in January 2024.

Results. Only one out of the ten subjects who received XTR006 injection reported two TEAEs. All TEAEs were mild in severity, unrelated to the study drug, required no symptomatic treatment, and resolved during follow-up. No SAEs were reported, no subjects withdrew due to SAEs, and there were no deaths during the study.

Biodistribution results showed that XTR006 exhibited rapid and widespread distribution throughout the body after administration. During 0 to 10 minutes post-injection, radioactivity was primarily distributed in the liver, brain, lungs, kidneys, and myocardium. XTR006 was excreted via the urinary and gastrointestinal systems.

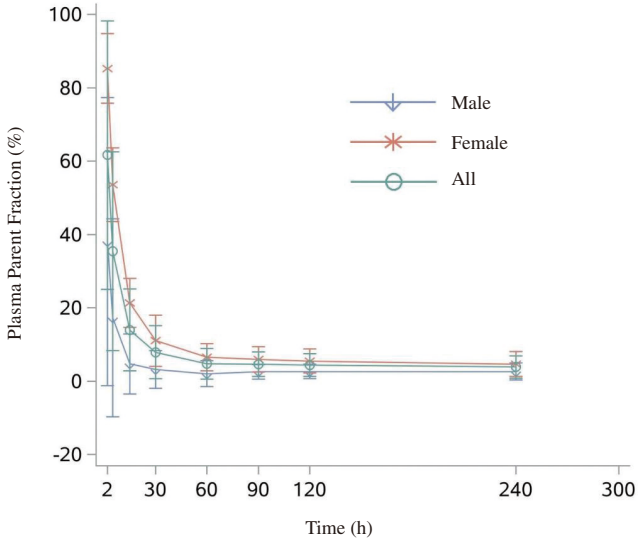
Distribution of XTR006 Throughout the Body after Administration



Source: Company data

Also, the results showed that XTR006 was rapidly metabolized in the human body. In plasma, XTR006 was quickly cleared within 30 minutes post-injection, with less than 15% of the parent compound (i.e. XTR006) remaining after 30 minutes.

Parent Compound of XTR006 in Plasma



Source: Company data

Conclusion. Phase I clinical trial results showed that XTR006 demonstrated a good safety and tolerability profile. It is rapidly metabolized and primarily excreted via the urinary and gastrointestinal systems.

IIT of XTR006 for the Diagnosis of MCI Due to AD and Mild to Moderate AD

Trial Design. This is a single-arm, open-label IIT of XTR006 to evaluate its diagnostic performance as a tracer for detecting MCI due to AD and mild to moderate AD. The study was initiated by an Independent Third Party investigator and conducted in China. A total of 42 subjects were enrolled, each receiving a single intravenous dose of 8.0 to 10.0 mCi XTR006.

The primary endpoints of this study included the sensitivity and specificity of XTR006 PET in detecting MCI due to AD and mild to moderate AD, both by visual review PET images and by quantitative analysis, and the cutoff values of the Standardized Uptake Value Ratio ("**SUVR**").

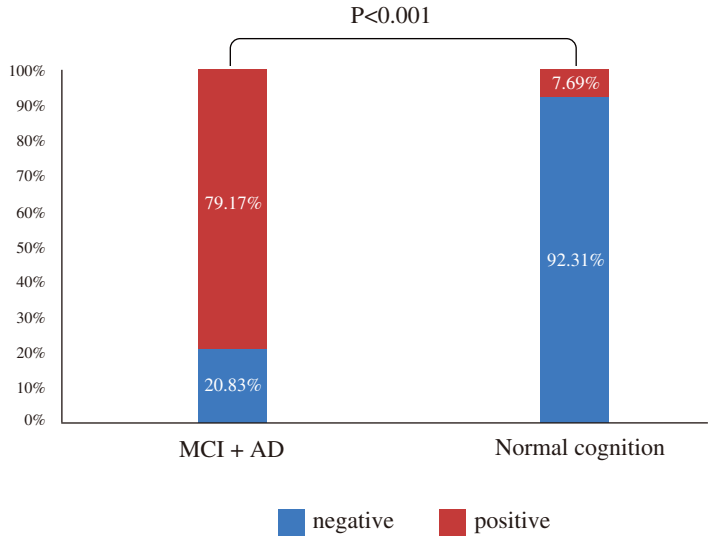
Secondary endpoints included the stability of SUV values at different XTR006 PET imaging time points, inter-reader and intra-reader Kappa values after review of XTR006 PET images, statistical differences in cognitive function ("**MMSE**") and functional activity ("**FAQ**") scores between positive and negative groups as determined by XTR006 PET images review, correlation between SUVR in brain regions of interest and MMSE/FAQ scores, the image quality of lower-dose XTR006 PET images, and the incidence of AEs and SAEs.

Trial Status. The study was initiated in September 2022, and completed in January 2024.

Safety Profile. a total of 42 subjects were enrolled in this study. Among these subjects, 14 with no cognitive impairment, 13 with MCI due to AD, and 15 with mild to moderate AD. A total of six subjects experienced six instances of TEAE. All TEAEs were mild and unrelated to the study drug.

Efficacy Profile. Three independent readers reviewed the brain regions of interest in XTR006 PET images. The final diagnostic result had to be consistent across at least two readers. These results were used to determine the sensitivity and specificity of XTR006 PET in detecting tau protein, compared to the standard of truth (**"SoT**"). The results showed that XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group.

XTR006 PET in Groups of MCI and AD vs. Normal Cognition



Source: Company data

Quantitative analysis revealed that the SUVR values of different regions of interest in brain in the MCI/AD group were significantly different from the non-cognitive impairment group (P<0.01). XTR006 PET imaging, using the SUR parameter in Braak regions along with corresponding cutoff values, effectively distinguishes individuals with abnormal cognition (MCI + AD) from those with normal cognition, achieving high sensitivity (0.739 to 1.0) and specificity (0.833 to 1.0). These results highlight the strong potential of XTR006 PET in diagnosing AD-related cognitive impairment and suggest its further application in staging AD based on tau protein deposition in the brain.

Braak Stage	Sensitivity	Specificity	AUC
Braak I (cutoff 1.16)	0.87	0.917	0.909
Braak II (cutoff 1.03)	0.913	0.917	0.938
Braak III (cutoff 1.12)	1	0.917	0.975
Braak IV (cutoff 1.06)	0.957	0.833	0.92
Braak V (cutoff 1.04)	0.739	1	0.855
Braak VI (cutoff 1.05)	0.739	1	0.862
Braak (I-VI) (cutoff 1.22)	0.739	1	0.92

Source: Company data

On the other hand, this study also explored PET imaging parameters and administration doses. The results indicated that the optimal PET scanning window was 90 to 110 minutes, and the recommended radioactive injection dose is 5.0 to 10.0 mCi.

Conclusions. The results showed that XTR006 could effectively detect tau protein with high sensitivity and specificity. It also exhibited a favorable safety and tolerability profile. The optimal PET scanning window was determined to be 90 to 110 minutes post-injection, and the recommended radioactive dose for XTR006 was 5.0 to 10.0 mCi.

Clinical Development Plan

We have initiated a Phase III clinical trial of XTR006 for the diagnosis of AD, and expect to complete this trial in 2027.

Licenses, Rights and Obligations

In July 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in mainland China. We in-licensed XTR006 while it was still in preclinical studies. Since then, we independently sponsored and completed a Phase I clinical trial and are advancing a Phase III clinical trial of XTR006 for AD diagnosis in China. For details regarding the XTR006 Agreement, see "– Collaboration Arrangements."

Material Communications with Competent Authorities

The communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for the Core Product XTR006 are as follows:

- In April 2022, we received IND approval from the NMPA to conduct exploratory clinical trials of XTR006 for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia.

- Based on data from the completed IIT and the Phase I clinical trial, we communicated with the CDE and proceeded with a registrational Phase III clinical trial of XTR006 for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia. In May 2024, we received the confirmatory regulatory clearance from the NMPA for conducting the Phase III trial.

As of the Latest Practicable Date, we have not received any concerns or objections from the NMPA related to our clinical development plans, including the conduct of Phase III clinical trials.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR006 SUCCESSFULLY.

Core Product – XTR004 – ^{18}F-labeled mitochondrial complex I-targeted PET-MPI Tracer

Our Core Product XTR004 is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. Following intravenous injection, it enables dynamic PET imaging for the evaluation of myocardial perfusion and myocardial blood flow, which can be clinically useful in detecting myocardial ischemia caused by flow-limiting stenoses in epicardial arteries, CMD, or both. MPI is widely recognized as a valuable tool for addressing clinical challenges related to unnecessary coronary angiography and interventional procedures, particularly stent implantation. XTR004 can help assess the necessity of stent implantation in patients with CAD, thereby minimizing patient suffering and reducing the financial burden associated with unwarranted procedures. As of the Latest Practicable Date, we had completed a Phase I clinical trial and a Phase II clinical trial for the diagnosis of myocardial ischemia originated by flow-limiting stenoses in epicardial vessels. We plan to initiate a Phase III trial in the fourth quarter of 2025.

Mechanism of Action

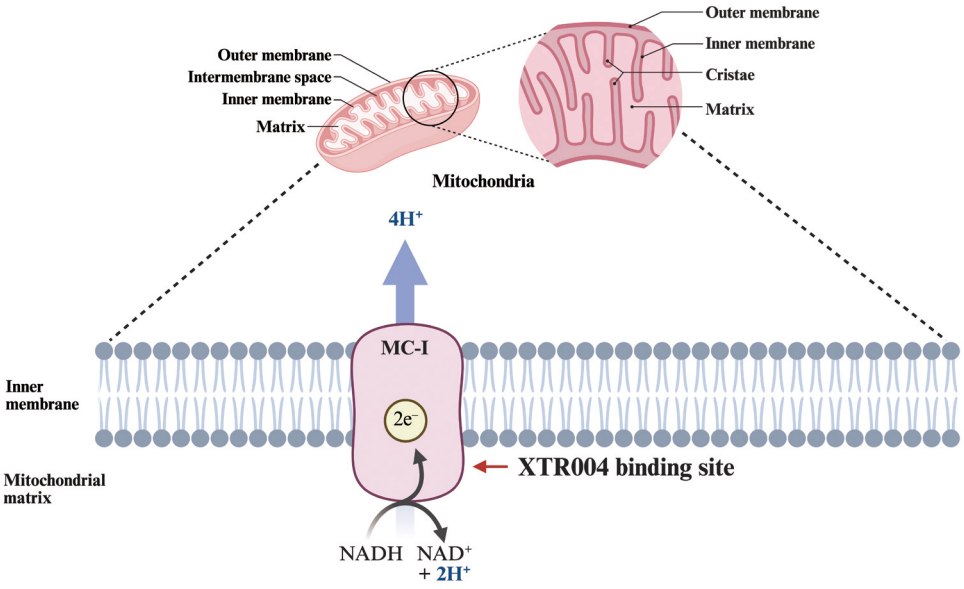
Mitochondrial complex I is the first enzyme of the respiratory chain, responsible for oxidizing NADH and transferring two electrons to reduce ubiquinone to ubiquinol. This process is followed by a series of reactions involving succinate dehydrogenase (complex II), ubiquinol–cytochrome c oxidoreductase (complex III or cytochrome bc1 complex), cytochrome c oxidase (complex IV), and ATP synthase (complex V). Together, these complexes drive oxidative phosphorylation, generating ATP and solidifying mitochondria's role as the "powerhouse" of the cell. As the primary entry point for electrons into the respiratory chain and the suggested rate-limiting step in overall respiration, mitochondrial complex I plays a pivotal role in cellular energy metabolism.

Developed primarily for use in PET, XTR004 targets the mitochondrial complex 1 in myocytes. When administered, XTR004 is taken up by myocytes in proportion to blood flow to determine myocardial perfusion. Once trapped within the heart muscle, the radiolabeled tracer emits positrons, which are detected by PET imaging systems. Potential applications of XTR004 can include, for example:

- ***Assessing Myocardial Ischemia from Flow-limiting Stenoses in Epicardial Vessels:*** XTR004 can help assess the myocardial ischemia originated from stenoses in epicardial arteries that cause reduced coronary flow. In areas with myocardial ischemia, the uptake of XTR004 is reduced to indicate perfusion defect. Rest and stress XTR004 PET-MPIs are compared to identify normal perfusion, reversible perfusion defect due to myocardial ischemia or fixed perfusion defect due to myocardial infarction.

- ***Assessing Ischemic from CMD:*** XTR004, combined with myocardial blood flow ("**MBF**") quantitation, can help doctors assess how much blood is reaching the heart muscle in real time in the quantitative unit of (ml/min/g). This is especially useful for detecting CMD, a condition where the small blood vessels in the heart do not work properly – even when the larger arteries appear normal. In cases of CMD, both stress and rest MBF are often reduced, and the myocardial flow reserve ("**MFR**") – which is the ratio of stress MBF to rest MBF – is also low. This shows that the tiny vessels can't expand as they should during stress, helping doctors identify and diagnose CMD more accurately.

The high-resolution images produced by XTR004 can detect even small perfusion defects, which are often missed by other imaging modalities like SPECT. The superior resolution of PET imaging, combined with the ability to perform dynamic scans for MBF quantification, enables XTR004 to provide highly accurate imaging for the comprehensive detection of myocardial ischemia caused by flow-limiting stenoses in epicardial arteries, CMD, or both.



Source: Company data

Market Opportunities and Competition

CAD is a pathological condition characterized by the accumulation of atherosclerotic plaques in the epicardial arteries, which can be either obstructive or non-obstructive. Obstructive CAD involves the gradual narrowing or blockage of the arteries that affect the supply of blood to myocardium, typically due to plaque buildup (atherosclerosis). The progression of CAD may remain stable for extended periods, referred to as chronic coronary syndromes, but may also become unstable and progress to acute coronary syndromes at any time.

According to CIC, the number of CAD patients globally and in China amounted to 316.6 and 11.5 million, respectively, in 2024 and is expected to reach 323.3 million and 12.7 million, respectively, in 2035.

The diagnosis of CAD begins with assessing chest pain or chest pain-like symptoms. First, acute coronary syndrome is ruled out based on guidelines. The likelihood of chronic coronary syndrome is then clinically assessed, categorized into low, intermediate, or high. For low likelihood, medication therapy is considered. For intermediate likelihood, non-invasive cardiac imaging tests, such as coronary computed tomography angiography, stress testing with echo, SPECT imaging or PET imaging, MRI, are recommended. For high likelihood, invasive coronary angiography is recommended, supplemented with FFR assessment to accurately evaluate the functional significance of intermediate coronary lesions. Auxiliary tests include lab work, ECG, and chest X-ray support the diagnosis of CAD.

Although structural imaging such as coronary CTA and coronary angiography visualize coronary anatomy and detect stenosis, it cannot determine if a luminal narrowing causes ischemia. Functional measurement – including stress echocardiography, SPECT imaging, PET imaging, CMR, and pressure wire-based FFR measurement – assesses the physiological impact of flow-limiting lesions by evaluating myocardial perfusion or hemodynamic significance. Compared to structural imaging, functional measurement more accurately identifies ischemia, improves risk stratification, and guides treatment decisions, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction.

The use of pressure wire for measuring FFR has several shortcomings, primarily due to its invasive procedure and the associated patient suffering. It requires coronary catheterization, which carries risks such as vascular injury, bleeding, or infection. Additionally, the procedure involves manipulating a delicate wire through complex or tortuous coronary lesions, which can be technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy.

Therefore, radionuclide myocardial imaging plays a vital role in the diagnosis, risk stratification, detection of viable myocardium, treatment planning, efficacy evaluation, and prognosis assessment. MPI with SPECT, most commonly using ^{99m}Tc-MIBI radiotracer, is a non-invasive method for diagnosing myocardial ischemia and identifying ischemic regions in patients with CAD. However, SPECT-MPI is limited to qualitative assessments and lacks adequate sensitivity for detecting multi-vessel disease and microvascular dysfunction, which may result in missed or inaccurate diagnoses.

In China, PET-MPI is less commonly used than in developed countries but offers significant advantages over clinically applicable SPECT-MPI, including higher spatial resolution, more precise attenuation correction, and the ability to quantify myocardial blood flow. PET imaging can also assess MFR under both resting and stress conditions. This capability helps reduce unnecessary coronary angiography and fractional flow reserve testing, improving diagnostic accuracy and guiding treatment decisions, while also shortening examination time and supporting broader clinical adoption.

With the anticipated approval of more innovative radionuclide-labeled PET tracers for MPI beginning in 2028, the MPI tracer market globally and in China is expected to increase from US$1,247.7 million and RMB36.0 million, respectively, in 2024 and to US$1,844.6 million and RMB2,210.6 million, respectively, in 2035.

As of the Latest Practicable Date, our Core Product XTR004 was the first and only PET-MPI tracer under clinical development in China. For details regarding the competitive landscape of radionuclide myocardial imaging PET tracers, see "Industry Overview – Major Indications – CAD."

Competitive Advantages

Optimizations of XTR004 to Comprehensively Improve Its Process, Formulation, and Clinical Development

After acquiring the relevant patent rights for XTR004, see "– Collaboration Arrangements" for details, we independently carried out extensive and innovative R&D work. We optimized the precursor synthesis, radiolabeling process, and formulation development of XTR004, as well as conducted preclinical studies and clinical development plan optimization, completed the IND application to the NMPA, and secured the IND approval as a Class 1 innovative drug. In addition, we designed and completed Phase I and Phase II clinical trials to preliminarily validate the efficacy and safety of XTR004 injection for myocardial perfusion imaging.

Clinical Design Optimization

As of the Latest Practicable Date, the only comparable product globally was Flyrcado by GE, a radioactive diagnostic drug indicated for PET-MPI under rest or stress conditions (pharmacologic or exercise) in adult patients with known or suspected CAD to assess myocardial ischemia and infarction. Its clinical trial design uses coronary angiography as the reference standard, which only validates its application to detect myocardial ischemia due to structural lesions in epicardial arteries.

The clinical trial design for XTR004 includes not only coronary angiography as a reference standard but also introduces FFR measurement via pressure wire, which quantifies the functional significance of coronary artery narrowing in limiting myocardial blood flow as an additional benchmark. This enables validation of XTR004 as a non-invasive diagnostic for both epicardial coronary artery stenosis and functional abnormalities leading to myocardial ischemia. Beyond PET myocardial perfusion imaging, XTR004 also supports myocardial blood flow quantification through dynamic PET imaging. This dual capability allows for simultaneous detection of epicardial and microvascular myocardial ischemia in clinical practice, providing a more comprehensive assessment of myocardial ischemia. Ultimately, it supports the realization of personalized and precision diagnosis and treatment of CAD in China.

Improved Accuracy Compared to Other Functional Imaging Methods

^{99m}Tc-MIBI, the most commonly used myocardial perfusion imaging tracer in clinical practice, uses SPECT imaging. However, there are several issues with its clinical application: First, SPECT imaging can only qualitatively assess myocardial ischemia and lacks sufficient sensitivity in evaluating multi-vessel disease and microcirculation lesions, often leading to missed diagnoses. Second, if a one-day protocol is used for rest and stress testing, the entire process lasts 5 to 6 hours, while a two-day protocol requires patients to visit the hospital on two consecutive days, which is time-consuming and labor-intensive.

PET myocardial perfusion imaging effectively addresses the drawbacks of SPECT imaging. On one hand, PET myocardial blood flow quantitation offers superior resolution and more precise image attenuation correction techniques, allowing for absolute quantification of myocardial blood flow that covers the entire spectrum of vascular lesions, including large vessel disease, microvascular disease, and myocardial lesions. On the other hand, compared to one-day SPECT-MPI protocols, PET-MPI takes only 30 to 50 minutes, significantly improving medical efficiency.

PET myocardial blood flow imaging significantly reduces unnecessary coronary angiography and invasive FFR tests, guiding treatment decisions while significantly shortening examination time, facilitating clinical application and promotion.

Significant Clinical Benefits and Limited Competition

MPI primarily addresses the clinical challenges posed by excessive coronary angiography and interventional treatments, particularly stent implantation, in patients with CAD. In 2024, about half of these patients undergoing coronary angiography due to suspected CAD. Currently, the mortality rate associated with coronary angiography is approximately 0.08%. By enabling early diagnosis through myocardial perfusion imaging, unnecessary coronary angiography can be avoided, thereby reducing the risk of death associated with the procedure. Additionally, in 2024, among approximately 1.7 million patients undergoing percutaneous coronary intervention with stent implantation, at least 200,000 cases showed no significant myocardial ischemia. MPI can help determine whether percutaneous coronary intervention is necessary, thereby reducing the patient's suffering and the financial burden associated with unnecessary procedures.

As of the Latest Practicable Date, XTR004 was the only PET-MPI tracer under clinical development in China. On the global scale, Flyrcado (^{18}F-Flurpiridaz) from GE was the only product that has received marketing approval in the U.S., with approval granted in September 2024. To enter the Chinese market, it will first require bridging clinical studies, which may take several years to complete and had not been initiated as of the Latest Practicable Date. XTR004, with its potential to be first-to-market in China, is poised to fill this market gap and provide significant clinical benefits to patients with CAD.

Summary of Clinical Trials

Phase III Clinical Trial of XTR004 in CAD Patients

Trial Design. This is an open-label, active-controlled, Phase III clinical trial of XTR004 to evaluate its efficacy and safety in detecting flow-limiting stenosis in patients with suspected or known stable CAD. The trial will be sponsored and conducted by us in China. Subjects will receive: (1) a bolus intravenous injection of XTR004, with a resting dose of 2.0 to 2.5 mCi and a stress dose of 6.0 to 7.5 mCi, administered with an interval of more than 20 minutes between the two doses; (2) two intravenous injections of ^{99m}Tc-MIBI on the same day, with the first dose of 8 to 12 mCi and the second dose of 24 to 36 mCi, separated by an interval of 0.5 to 4 hours; or alternatively, two doses of 18 to 30 mCi ^{99m}Tc-MIBI on separate days; or (3) an intravenous infusion of adenosine injection at 140 μg/kg/min for 6 minutes.

The primary objective of this trial is to evaluate the efficacy of visual interpretation of XTR004 PET-MPI in detecting flow-limiting stenosis, using the composite reference standard of QCA and FFR.

Secondary objectives include to compare the diagnostic performance, as well as image quality and diagnostic confidence of XTR004 PET-MPI and ^{99m}Tc-MIBI SPECT MPI in detecting flow-limiting stenosis; to evaluate the efficacy of semi-quantitative analysis of XTR004 PET-MPI in detecting flow-limiting stenosis; to assess the efficacy of XTR004 PET-MPI in detecting flow-limiting stenosis across different subgroups; using QCA as the reference standard, to compare the diagnostic performance of XTR004 PET-MPI and ^{99m}Tc-MIBI SPECT MPI in detecting flow-limiting stenosis; and to evaluate the safety of administering two bolus intravenous injections of XTR004 to patients with suspected or known stable CAD.

Trial Status. In February 2025, we obtained regulatory clearance from the CDE to conduct this trial. As of the Latest Practicable Date, we were preparing to initiate the trial.

Phase II Clinical Trial of XTR004 for the Diagnosis of CAD Through Myocardial Perfusion PET Imaging

Trial Design. This is a Phase II clinical trial evaluating image concordance between XTR004 injection for PET-MPI and ^{99m}Tc-MIBI SPECT-MPI in patients with borderline coronary stenosis. The trial is sponsored and conducted by us in China. Enrolled patients will receive either (1) a bolus intravenous injection of XTR004, with a resting dose of 2.0 to 2.5 mCi and a stress dose (under adenosine loading) of 6.0 to 7.5 mCi (approximately three times the resting dose), or (2) an intravenous infusion of adenosine over 6 minutes at a dose rate of 140 μg/kg/min.

The primary objective of the study is the percentage of vascular-level diagnostic determinacy for XTR004 PET/^{99m}Tc-MIBI SPECT-MPI (diagnostic determinacy is defined as the percentage of scans determined as either normal or abnormal, as detailed in the main text). The secondary objective is the percentage of diagnostic determinacy of XTR004 PET/^{99m}Tc-MIBI SPECT-MPI in patients with different degrees of vascular stenosis.

Trial Status. This trial was initiated in December 2024. As of the Latest Practicable Date, the trial was still ongoing.

Phase II Clinical Trial of XTR004 for the Diagnosis of CAD Through Myocardial Perfusion PET Imaging

Trial Design. This is an open-label Phase II clinical trial of XTR004 for the diagnosis of CAD through myocardial perfusion PET imaging. This trial was sponsored and conducted by us in China. A total of 84 subjects were enrolled. All subjects received a bolus intravenous injection of XTR004 on the dosing day, with a resting dose of 2.0 to 2.5mCi and a stress dose of 6.0 to 7.5mCi.

The primary objectives of this trial were: (1) to explore the diagnostic efficacy of XTR004 PET myocardial perfusion imaging and myocardial blood flow quantification for CAD with coronary angiography as the reference standard; and (2) to explore the diagnostic efficacy of XTR004 PET myocardial perfusion imaging and myocardial blood flow quantification for detecting coronary flow reserve dysfunction and coronary microcirculation dysfunction with pressure-temperature guidewire FFR/IMR as the reference standard. The secondary objective was to evaluate the safety of XTR004 after two bolus intravenous injections in subjects with suspected or known stable CAD.

Trial Status. We initiated the trial in January 2022, completed the last patient's last visit in May 2023 and completed the trial in January 2024.

Safety Profile. Among the enrolled 84 subjects, 23 subjects (27.4%) experienced 29 AEs and 29 TEAEs. No subjects experienced Grade 3 or more TEAEs, SAEs, TEAEs that led to discontinuation, TEAEs that led to drug withdrawal, or TEAEs that resulted in death. Among the common TEAEs (≥5%), seven subjects (8.3%) experienced chest discomfort.

Efficacy Profile. To evaluate diagnostic efficacy at the individual level, we used a composite reference standard combining QCA and FFR, integrating both structural assessment and functional evaluation. This approach more closely approximates the gold standard for CAD diagnosis. For qualitative analysis, three independent readers reviewed the original images. For semi-quantitative analysis, specialized software was used to analyze the imaging data.

The results showed that the sensitivity, specificity, accuracy, positive predictive value, and negative predictive value of qualitative analysis of original images (with Summed Stress Score ("**SSS**") ≥4 or Summed Difference Score ("**SDS**") ≥2) of XTR004 were 76%, 79%, 78%, 59%, and 89%, respectively, with a Kappa consistency of 0.51 ($P < 0.0001$). The semi-quantitative analysis of original images (with SSS ≥4 or SDS ≥2) showed sensitivity of 81%, specificity of 87%, accuracy of 85%, positive predictive value of 71%, and negative predictive value of 92%, with a Kappa consistency of 0.65 ($P < 0.0001$).

Diagnostic Performance Analysis of Combined QCA and FFR for Detecting Major Coronary Artery Abnormalities at the Individual Level

Imaging Analysis	Reference Standard	Diagnostic Results			Diagnostic Efficacy Indicators				
		Positive	Negative	Overall	Sensitivity	Specificity	Accuracy	PPV	NPV
Qualitative Analysis of Original Images	Positive	16	5	21	76.2 (52.8, 91.8)	79.2 (65.9, 89.2)	78.4 (67.3, 87.1)	59.3 (38.8, 77.6)	89.4 (76.9, 96.5)
	Negative	11	42	53					
	Overall	27	47	74					
Semi-Quantitative Analysis of Original Images	Positive	17	4	21	81.0 (58.1, 94.6)	86.8 (74.7, 94.5)	85.1 (75.0, 92.3)	70.8 (48.9, 87.4)	92.0 (80.8, 97.8)
	Negative	7	46	53					
	Overall	24	50	74					

Source: Company data

Conclusion. Under the dosing conditions of 2.0 to 2.5 mCi at rest and 6.0 to 7.5 mCi during stress, no XTR004-related adverse events occurred during the clinical trial, indicating a favorable safety profile. Also, XTR004 PET myocardial perfusion imaging using qualitative interpretation of the PET images demonstrated good diagnostic performance in assessing flow-limited stenoses in epicardial vessels (as defined by combined QCA and FFR criteria).

Phase I Clinical Trial of XTR004 in Healthy Adults

Trial Design. This study is an open-label Phase I clinical trial designed to evaluate the safety, biodistribution, radiation dosimetry, and pharmacokinetics of XTR004 in healthy adults. This trial was sponsored and conducted by us in China. A total of 10 subjects were enrolled and received XTR004 followed by PET-CT imaging. All subjects received a single bolus intravenous injection of 6.0 to 8.0 mCi XTR004.

The primary objective of the study was to evaluate the safety of a single bolus intravenous dose of XTR004 injection in healthy adults. The secondary objectives were to assess the biodistribution of XTR004 (via PET imaging), estimate the radiation dosimetry, and characterize the pharmacokinetic profile of XTR004 in the human body following a single bolus intravenous injection.

Trial Status. We initiated this trial in March 2021, completed the last patient's last visit in July 2021, and completed the trial in September 2022.

Results.

- **Safety Profile:** In this study, seven subjects (63.6%) experienced AEs related to XTR004, all of which were pain at the injection site. Investigators determined these events to be related to XTR004, primarily due to the presence of a small amount of ethanol (10% of the injection volume, 0.1 to 0.5 mL). No other drug-related AEs were observed. Also, no subjects permanently discontinued the drug or withdrew from the trial due to TEAEs. During the study, no severe, serious, treatment-disrupting, or fatal TEAEs occurred.

- **Radiation Dosimetry Results:** Radiation dosimetry data showed that intravenous injection of XTR004 resulted in a low radiation dose in the human body. The effective dose per unit of administered activity was 0.0165 mSv/MBq. With an injected activity of approximately 7.3 mCi, the average effective dose for subjects was 4.474 mSv, indicating low radiation exposure to the surrounding environment and well below the annual safety limit for radiation exposure (50 mSv/year). The organ receiving the highest radiation dose was the thyroid (54.87 μSv/MBq), and the whole-body effective dose was 0.0165 mSv/MBq.

- **Summary of Biodistribution and Pharmacokinetics:** Integrated biodistribution and pharmacokinetic data indicated that XTR004 exhibited rapid and widespread distribution in the human body following intravenous injection. It is primarily cleared through hepatic metabolism and can be excreted via both the urinary system and the gastrointestinal tract.

Conclusion. According to the results of this Phase I trial, XTR004 demonstrated good safety profile in humans.

Clinical Development Plan

We plan to initiate a Phase III trial in the fourth quarter of 2025. Furthermore, we intend to advance preclinical investigations of XTR004 to further explore its potential and evaluate opportunities for indication expansion.

Licenses, Rights and Obligations

We initially in-licensed the exclusive global rights controlled by one individual and Beijing Normal University ("**XTR004 Assignors**") to research, develop, manufacture, and commercialize XTR004 in 2017, while the product was in preclinical stage. Starting in February 2021, we entered into a series of agreements (the "**XTR004 Assignment Agreements**") with XTR004 Assignors to acquire the exclusive global patent rights controlled by the XTR004 Assignors to research, develop, manufacture, and commercialize XTR004. Since then, we optimized the precursor synthesis, radiolabeling process, and formulation development of XTR004, as well as conducted preclinical studies (including process procedure optimization and pharmacology and toxicology studies) and clinical development plan optimization, completed the IND application to the NMPA, and secured the IND approval as a Class 1 innovative drug. In addition, we independently sponsored and completed a Phase I clinical trial and a Phase II clinical trial, and are advancing a Phase II clinical trial of XTR004 for the diagnosis of CAD through myocardial perfusion imaging in China. For details regarding the XTR004 Agreement, see "– Collaboration Arrangements."

Material Communications with Competent Authorities

The communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for the Core Product XTR004 are as follows:

- In September 2020, we received IND approval from the NMPA to conduct Phase I and Phase II clinical trials of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia.

- Based on data from the completed Phase I clinical trial, we proceeded with two Phase II clinical trials of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia, and initiated patient enrollment in January 2022 and December 2024, respectively. The initiations of the Phase II trials were considered a "no objection" response from the NMPA for the commencement of the Phase II trial, in accordance with the Announcement on the Procedures for the Review and Approval of Drug Clinical Trials published by the NMPA.

- In November 2024, based on the data collected from the Phase I trial and a Phase II trial, we communicated with the CDE for proceeding with a Phase III trial of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia. In February 2025, we obtained the regulatory clearance from the CDE to conduct this trial, which constituted a "no objection" response from the NMPA.

As of the Latest Practicable Date, we have not received any concerns or objections from the NMPA related to our clinical development plans, including the conduct of Phase III clinical trials.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR004 SUCCESSFULLY.

Core Product – XTR003 – World's First and Only PET Tracer for Myocardial Fatty Acid Metabolism Imaging

Our Core Product XTR003 is a potential first-in-class, ^{18}F-labeled PET diagnostic radioligand for myocardial fatty acid imaging to detect myocardial viability. It is the world's first and only PET myocardial fatty acid metabolism imaging agent under development, further underscoring its first-in-class potential. XTR003 utilizes the fatty acid metabolism characteristics of the myocardium to assess myocardial viability. It is primarily used for PET imaging in ischemic heart diseases with impaired left ventricular dysfunction. When used in a fasting state in combination with ^{18}F-FDG, it can simultaneously assess overall myocardial metabolism from two aspects (i.e. glucose metabolism and myocardial fatty acid metabolism), thereby more effectively identifying and detecting viable myocardium. It also avoids unnecessary complex glucose regulation processes and the image interference and safety concerns associated with glucose regulation. As a result, its clinical application can enhance the effectiveness and safety of core cardiology myocardial imaging for detecting viable myocardium. As of the Latest Practicable Date, we completed a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging for the diagnosis of CAD with left ventricular dysfunction.

Mechanism of Action

The targeting ligand of XTR003 is structurally similar to naturally occurring FFAs and has been modified to incorporate a radioactive isotope, ^{18}F, for PET imaging.

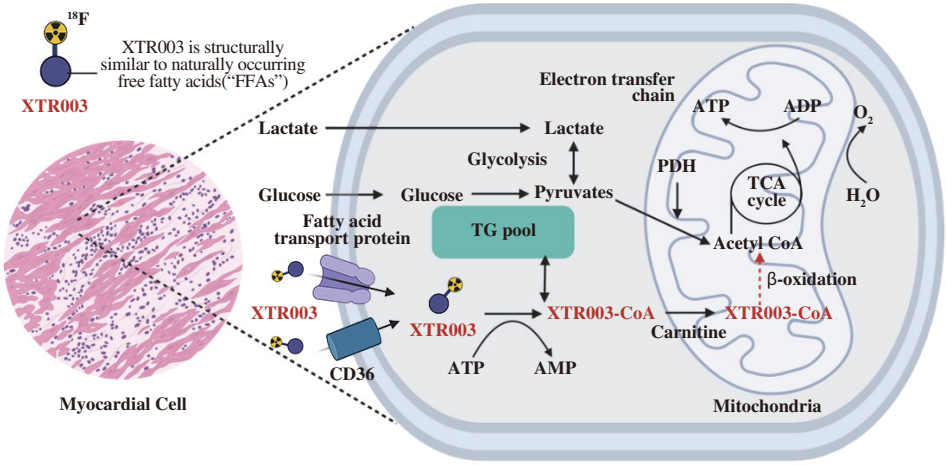
After XTR003 is injected into the bloodstream, it circulates and is absorbed by the heart muscle, where it undergoes metabolism. Specifically, XTR003 behaves similarly to natural FFAs, entering myocardial cells via fatty acid transport proteins and CD36 receptors, both of which are responsible for facilitating FFA uptake into myocytes. Once entering myocytes, XTR003 is metabolized through the β-oxidation pathway in the mitochondria and trapped prior to the conversion to ATP.

The radioactive signal of XTR003 emitted by the ^{18}F isotope is detected by PET, enabling the visualization and quantification of myocardial fatty acid uptake and metabolism.

- Normal Uptake: In healthy myocardial tissue, metabolism of FFAs is high and effective, reflecting normal myocardial function and energy production.

- Reduced Uptake: In cases of myocardial ischemia or injury (e.g., during or after a heart attack), the uptake of radiolabeled FFAs is typically reduced due to decreased oxygen supply or mitochondrial dysfunction. The uptake of radiolabeled glucose (typically ^{18}F-FDG) may be slightly increased, or both FFAs and glucose uptake may be decreased, depending on the complex disease stages.

This assessment of fatty acid and glucose metabolism in the myocardium allows for a detailed evaluation of myocardial function, providing critical information for the diagnosis and management of various cardiovascular diseases.



Source: Company data

Market Opportunities and Competition

Clinically, it is critical to distinguish viable myocardium from scarred or non-viable tissue in patients with infarcted myocardium following a myocardial infarction. This distinction plays a key role in determining whether the patient may benefit from early revascularization – such as coronary artery bypass grafting or percutaneous coronary intervention – to improve clinical outcomes.

Conventional PET myocardial metabolic imaging uses the strategy of glucose loading and ^{18}F-FDG injection to assess total metabolic activity, capturing both intrinsic glucose metabolism and the metabolic shift from fatty acid to glucose utilization in infarcted myocardium. However, this method has several limitations, including (1) the need for glucose regulation, which prolongs the procedure and reduces clinical efficiency, (2) interference from factors that affect image quality in diabetic patients, and (3) an increased risk of hypoglycemia during the glucose-loading process. These limitations highlight the unmet clinical needs in PET-based myocardial metabolic imaging.

According to CIC, the number of CAD patients worldwide requiring coronary artery bypass grafting or percutaneous coronary intervention was 7.3 million in 2018 and increased to 14.3 million in 2024, representing a CAGR of 11.9%. This number is expected to reach 35.6 million in 2035, with a CAGR of 8.9%. In China, the number of CAD patients requiring these procedures was 1.0 million in 2018 and rose to 1.8 million in 2024, reflecting a CAGR of 10.7%. This figure is projected to reach 2.6 million by 2035, with a CAGR of 3.7% from 2024 to 2035.

As of the Latest Practicable Date, our Core Product XTR003 stands out as the first and only PET myocardial fatty acid metabolism imaging agent in China and globally.

Competitive Advantages

Optimizations of XTR003 to Comprehensively Improve Its Process, Formulation, and Clinical Development

Radiopharmaceuticals differ from conventional drugs in that they typically cannot be obtained directly as an active pharmaceutical ingredient. Instead, a precursor must first be prepared, and then the precursor is radiolabeled. Additionally, after obtaining the active substance through radiolabeling, it must be quickly formulated into the final product. Therefore, the production process significantly impacts the formulation and the overall feasibility of the drug's development.

Precursor Synthesis Process Optimization

We initially optimized the process procedure and production techniques for the precursor synthesis, reducing the process steps and improving the yield. We also conducted detailed quality studies and control over the reaction process, intermediates, and final precursor. Currently, the precursor can be stably produced under GMP conditions with controlled quality. The optimized precursor preparation process has been granted a patent in China.

Labeling Process and Formulation Optimization

Through in-depth research on the labeling process and formulation, we ultimately developed a formulation and a labeling process that prevent high radioactive accumulation, which could lead to radiation-induced self-degradation. At the same time, the formulation of XTR003 takes into account the solubility of the small-polar precursor as well as its ability to resist radiation degradation at high doses. The final formulation brings the product closer to physiological pH, making the formulation clearer, safer, and improving clinical compliance.

Furthermore, based on a deep understanding of the reaction characteristics, instrument properties, and PLC software capabilities, we developed an automated synthesis process. This solution addresses the limited yield and high radiation exposure risks associated with manual production and can be adapted to a fully commercialized process.

Currently, the process for XTR003 can support the production of radioactive products with an initial ^{18}F activity of up to 10Ci, with a final yield of over 2Ci. The synthesis time has been reduced to approximately 60 minutes, and a single production run can serve over 100 patients. We have completed dozens of batches of XTR003 production, demonstrating the scalability of the process and its stability.

Clinical Design Optimization

Given the clinical needs in China and the inherent limitations of traditional glucose-loaded ^{18}F-FDG PET myocardial metabolic imaging, we developed XTR003/^{18}F-FDG PET combined myocardial metabolic imaging. XTR003 is designed to directly detect myocardial fatty acid metabolism without the need for blood glucose regulation, providing a more straightforward evaluation of fatty-acid metabolism in the myocardium. Fasting XTR003/^{18}F-FDG PET combined myocardial metabolic imaging enables assessment of total myocardial metabolic activity while avoiding the complications associated with glucose-loaded ^{18}F-FDG PET. The entire imaging procedure using fasting XTR003/^{18}F-FDG PET can be completed in approximately 80 minutes, compared to an average of approximately 200 minutes for glucose-loaded ^{18}F-FDG PET. The fasting XTR003/^{18}F-FDG PET offers a promising solution to address clinical challenges associated with the glucose-loaded ^{18}F-FDG PET myocardial metabolic imaging, providing cardiologists with a more efficient, accurate and reliable method to assess myocardial viability.

The clinical value of XTR003/^{18}F-FDG PET combined myocardial metabolic imaging has been preliminarily validated in a Phase II clinical trial and will be further confirmed in the subsequent Phase IIb trial. Upon approval, XTR003 is expected to provide a comprehensive solution for detecting viable myocardial tissue in China.

Excellent Safety and Diagnostic Efficacy

XTR003 is categorized as a Class 1 innovative drug. It has completed a Phase I clinical trial and a Phase II clinical trial, demonstrating its potential as an excellent PET tracer for fatty acid metabolic imaging. The Phase I trial evaluated the biodistribution, radiation dosimetry, and safety profile of XTR003. The Phase II trial preliminarily validated that fasting XTR003/^{18}F-FDG PET combined myocardial metabolic imaging provided an assessment of myocardial viability that closely aligns with that of glucose-loaded ^{18}F-FDG PET in patients who achieved successful glucose regulation and high-quality imaging. The clinical value of fasting XTR003/^{18}F-FDG PET combined imaging will be further investigated in the upcoming Phase IIb clinical trial.

According to the completed Phase I clinical trial, XTR003 was well-tolerated in healthy individuals. In the Phase II clinical trial, the average image quality score for fasting XTR003/^{18}F-FDG PET combined imaging was 6.0±0, with all image quality ratings meeting clinical diagnostic requirements (≥2). When compared to the standard glucose-loaded ^{18}F-FDG PET imaging with successful glucose loading and warranted PET image quality, the diagnostic consistency of fasting XTR003/^{18}F-FDG PET combined imaging reached 0.82. The Phase II clinical trial demonstrated that fasting XTR003/^{18}F-FDG PET combined imaging has comparable ability for viable myocardial detection to the standard ^{18}F-FDG PET imaging, supporting further verification of the prognostic value of XTR003 in viable myocardial detection in the upcoming Phase IIb clinical trial, with additional advantages over existing clinical standard tests.

Improved Clinical Benefits Compared to Traditional Viable Myocardium Assessment Methods

With advancements in clinical cardiology, the focus has gradually shifted from diagnosing CAD to risk stratification and prognosis assessment. It is well-established that critical information such as myocardial ischemia, viable myocardium, and cardiac function plays a vital role in risk stratification, prognosis evaluation, and treatment planning for ischemic heart disease. Current diagnostic methods, including Doppler tissue imaging, myocardial contrast echocardiography, myocardial delayed enhancement imaging, and nuclear medicine myocardial perfusion imaging, are commonly used to assess viable or infarcted myocardium and left ventricular function. Among these, myocardial delayed enhancement imaging is particularly effective in detecting infarcted myocardium, while Doppler tissue imaging and myocardial contrast echocardiography primarily evaluate myocardial viability based on mechanical motion. However, their accuracy remains limited, and they continue to face significant challenges in clinical practice.

Radionuclide imaging remains the primary reference standard in clinical practice for evaluating viable myocardium. The myocardium's main energy sources are fatty acids and glucose. Traditional methods using ^{18}F-FDG to detect viable myocardium only assess myocardial glucose metabolism and are unable to evaluate fatty acid metabolism. As a result, patients must undergo glucose regulation post fasting, which involves consuming large amounts of glucose water and receiving insulin injections. This approach substitutes fatty acid metabolism with glucose metabolism by providing glucose as the sole energy substrate and increasing the number of glucose transporters, thereby enhancing myocardial uptake of ^{18}F-FDG to assess overall myocardial metabolism and detect viable myocardium. However, this glucose regulation process requires high technical expertise from physicians and results in prolonged procedure times (typically one to four hours per patient), reducing diagnostic efficiency. Furthermore, this method is prone to various imaging interference factors and the risk of hypoglycemic events during the glucose regulation, creating significant challenges in clinical practice and leading to a very low detection rate.

XTR003 can directly detect myocardial fatty acid metabolism without the need for blood glucose regulation, and the entire detection process can be completed in approximately 80 minutes. It can effectively address the following clinical issues:

- It resolves the high technical skill requirement for blood glucose regulation, facilitating the clinical promotion and widespread use of viable myocardium diagnosis.

- It solves the problem of excessive operation time due to glucose regulation, improving clinical efficiency.

- It addresses the issue of inaccurate imaging in diabetic patients and the potential for hypoglycemia during the glucose regulation process.

Significant Medical Needs and Limited Competition

As China's population ages, the incidence and mortality of CAD continue to rise. Clinically, patients with myocardial infarction experience severe coronary artery blockage, leading to significant myocardial ischemia. The infarcted area may still have viable myocardium or may have already undergone necrosis under low-flow conditions. By evaluating myocardial metabolism, it is possible to determine whether the myocardium is still viable. Viable myocardium can be salvaged through revascularization treatments (including coronary artery intervention or coronary artery bypass grafting) to prevent long-term severe ischemia, which could lead to myocardial necrosis, severe heart dysfunction, and ultimately death from ischemic heart failure. Therefore, viable myocardium detection is a crucial method for assessing whether myocardial infarction patients can benefit from revascularization treatments, improve heart function, and enhance prognosis. Accurate preoperative evaluation of viable myocardium is an important diagnostic step in deciding whether a patient with myocardial infarction should undergo revascularization surgery or heart transplant.

Patients with viable myocardium may benefit from surgery, while those without viable myocardium are more likely to receive conservative treatment. However, due to the lack of an ideal method for assessing viable myocardium, clinical practice generally relies on resting ultrasound followed by coronary artery bypass grafting or complex percutaneous coronary intervention, leading to a very high proportion of postoperative complications. XTR003 is the world's first and only PET myocardial fatty acid metabolism imaging agent, which is expected to effectively fill this market gap and benefit patients with ischemic heart disease.

Summary of Clinical Trial Results

Phase II Clinical Trial of XTR003/^{18}F-FDG Combined Imaging for the Detection of CAD with Left Ventricular Dysfunction

Trial Design. This is an open-label, self-controlled Phase II clinical trial to evaluate the effectiveness of XTR003 in detecting viable myocardium in patients with non-ST-segment elevation myocardial infarction ("**NSTEMI**"), old myocardial infarction with impaired left ventricular function, and completely occluded coronary artery. This trial was sponsored and conducted by us in China. A total of 51 patients were enrolled in this study. Each enrolled subject, after fasting for ≥6 hours, received imaging at rest with an intravenous injection of 2.0 to 3.0 mCi of ^{18}F-FDG and a bolus intravenous injection of 6.0 to 8.0 mCi of XTR003.

The primary endpoint of the study was to assess the sensitivity and specificity of fasting ^{18}F-FDG imaging in combination with XTR003 PET imaging for detecting viable myocardium, using glucose-loaded ^{18}F-FDG myocardial metabolic PET imaging (meeting diagnostic criteria) as the reference standard. The secondary endpoint was to observe XTR003-related adverse events and their incidence.

Trial Status. We initiated the trial in December 2021, completed the last patient's last visit in March 2023, and completed the trial in April 2023.

Safety Profile. Among the 51 subjects enrolled in this study, a total of four subjects (7.8%) experienced four TEAEs, including hypoglycemia, peripheral edema, toothache, and hypertension. Two subjects (3.9%) experienced two TEAEs that required intervention: hypoglycemia was managed with light food intake, and toothache was treated with medication. All TEAEs were Grade 1 and resolved or recovered by subsequent visits. No subjects experienced Grade 3 or above TEAEs, SAEs, TEAEs leading to withdrawal, TEAEs leading to discontinuation, or TEAEs resulting in death. Additionally, no TEAEs related to the study drug occurred in this trial.

Also, radiation dose data showed that the cumulative radiation exposure for injection personnel and PET image acquisition staff was within 3.5 μSv, which is well below the annual radiation safety limit (50 mSv/year).

Efficacy Profile. The study results showed that the image quality of fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging met the clinical diagnostic standards. The average image quality score of glucose-loaded ^{18}F-FDG PET myocardial metabolic imaging was 6.6 ± 0.5. Diagnostic-grade image quality (≥ Grade 2) was achieved in 49 cases, while 1 case did not meet the diagnostic standard (≤ Grade 1). The average image quality score of fasting ^{18}F-FDG/XTR003 PET combined imaging was 6.0 ± 0, with all cases meeting the diagnostic-grade criteria (≥ Grade 2). The average image quality score for fasting ^{18}F-FDG PET imaging alone was 6.1 ± 0.8, with 40 cases meeting the diagnostic criteria and 10 cases not. Fasting XTR003 PET imaging alone yielded an average image quality score of 6.0 ± 0, with all cases meeting the diagnostic standard.

In terms of diagnostic performance, fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging showed high sensitivity and specificity. Compared with glucose-loaded ^{18}F-FDG PET, its diagnostic performance showed high consistency. PET myocardial metabolism results showed that glucose-loaded ^{18}F-FDG PET identified 33 patients with viable myocardium and 17 without. Fasting ^{18}F-FDG/XTR003 PET combined imaging identified 33 patients with viable myocardium and 17 without, including 2 false positives and 2 false negatives. Fasting ^{18}F-FDG PET imaging alone identified 40 patients with viable myocardium and 10 without, with 7 false positives and no false negatives. Fasting XTR003 PET imaging alone identified 25 patients with viable myocardium and 25 without, with 0 false positives and 8 false negatives.

Diagnostic Performance of Fasting ^{18}F-FDG/XTR003 PET Combined Imaging

Imaging Method	Indicator	Fasting ^{18}F-FDG/XTR003 PET Combined Myocardial Metabolic Imaging		
Glucose-Loaded ^{18}F-FDG	**Viable Myocardium**	**+**	**–**	**Total**
PET Myocardial Metabolic	+	31	2	33
Imaging	–	2	15	17
	Total	33	17	50

Source: Company data

Diagnostic performance metrics were as follows:

- Fasting ^{18}F-FDG/XTR003 PET combined imaging: sensitivity 0.94, specificity 0.88, positive predictive value ("**PPV**") 0.94, negative predictive value ("**NPV**") 0.88, and accuracy 0.92. Consistency with glucose-loaded ^{18}F-FDG PET was Kappa = 0.82 (P < 0.0001).

- Fasting ^{18}F-FDG PET imaging: sensitivity 1.0, specificity 0.59, PPV 0.83, NPV 1.0, and accuracy 0.86. Consistency with glucose-loaded ^{18}F-FDG PET was Kappa = 0.65 (P < 0.0001).

- Fasting XTR003 PET imaging: sensitivity 0.76, specificity 1.0, PPV 1.0, NPV 0.68, and accuracy 0.84. Consistency with glucose-loaded ^{18}F-FDG PET was Kappa = 0.68 (P < 0.0001).

Diagnostic Performance Metrics of Fasting ^{18}F-FDG/XTR003 PET Combined Imaging

Imaging Method	Diagnostic Performance Indicators (95% CI)					Consistency (95% CI)	
	Sensitivity	Specificity	Accuracy	Positive Predictive Value	Negative Predictive Value	Kappa	P
Fasting ^{18}F-FDG/XTR003 PET Combined Myocardial Metabolic Imaging	0.94	0.88	0.92	0.94	0.88	0.82	<0.0001
	(79.8, 99.3)	(63.6, 98.5)	(80.8, 97.8)	(79.8, 99.3)	(63.6, 98.5)	(0.65, 0.99)	

Source: Company data

Conclusions. The results of this Phase II trial demonstrated that XTR003 was safe for the subjects, injection personnel, and PET image acquisition staff. Due to the high sensitivity and specificity of fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging, its diagnostic performance demonstrated high consistency with that of glucose-loaded ^{18}F-FDG PET imaging. Additionally, the imaging procedure is more convenient, reduces examination time, and avoids the potential hypoglycemic events associated with glucose-loading protocols.

Phase I Clinical Trial of XTR003 in Healthy Adults

Trial Design. This is an open-label, Phase I clinical trial to evaluate the safety, biodistribution, radiation dose, and pharmacokinetics of XTR003 in healthy adults. This trial was sponsored and conducted by us in China. A total of ten subjects were enrolled. All subjects received a single bolus intravenous injection of 8.0 to 10.0 mCi of XTR003 during the trial period.

The primary objective of this study was to assess the safety of XTR003 injection in healthy adults following a single bolus intravenous administration. The secondary objectives were to explore the biodistribution (via PET imaging), radiation dose, and pharmacokinetic characteristics of XTR003 in the human body after a single bolus intravenous injection.

Trial Status. We initiated the trial in March 2021, completed the last patient's last visit in August 2021, and completed the trial in August 2022.

Results. During the study, no SAEs or serious adverse reactions occurred after the XTR003 injection, and no deaths were reported. Only two AEs were determined by the investigator to possibly be related to the drug. Both events were classified as Grade 1 severity and did not require treatment intervention. These events resolved during the subsequent unplanned follow-up visits.

Comprehensive biodistribution and pharmacokinetic data showed that after intravenous administration of XTR003, it quickly distributed to organ tissues and, after approximately 0.5 hours, may return to the venous blood in both its original form and as metabolites. The liver is the primary organ for the metabolism of XTR003 in the human body, with low excretion through the digestive system, and it is excreted through the urinary system. The clinically used ^{18}F-FDG was primarily excreted via the kidneys.

Radiation dose data indicated that the whole-body effective dose per unit of injected activity for XTR003 was comparable to that of ^{18}F-FDG, but the maximum uptake organ for XTR003 is the liver, whereas the maximum cumulative organ for ^{18}F-FDG is the bladder.

Furthermore, during this clinical trial, the cumulative radiation dose exposures for the imaging operators, administration personnel, and blood collection personnel were 0.87 ± 0.21 μSv, 0.97 ± 1.05 μSv, and 8.31 ± 4.94 μSv, respectively. These exposures were well below the safety limits established by national regulations for occupational personnel, which specify an annual effective dose limit of 20 mSv, with an average over five consecutive years not exceeding 50 mSv in any given year.

Conclusion. The results from the Phase I clinical trial showed that XTR003 demonstrated good safety both in the human body and in the surrounding environment.

Clinical Development Plan

We have completed a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging for the diagnosis of CAD with left ventricular dysfunction, and plan to commence a Phase IIb clinical trial in 2025. As of the Latest Practicable Date, the Phase II stage of XTR003 was ongoing.

Licenses, Rights and Obligations

As XTR003 is internally discovered and developed by us, we maintain the exclusive global rights to develop, manufacture and commercialize XTR003.

Material Communications with Competent Authorities

The communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for the Core Product XTR003 are as follows:

- In May 2020, we received IND approval from the NMPA to conduct Phase I and Phase II clinical trials of XTR003 for the diagnosis and assessment of myocardial viability based on the characteristics of myocardial fatty acid metabolism.

- Based on data from the completed Phase I clinical trial, we proceeded with the Phase II clinical trial of XTR003 for PET imaging of CAD with left ventricular dysfunction and initiated patient enrollment in December 2021. The initiation of the Phase II trial was considered a "no objection" response from the NMPA for the commencement of the Phase II trial, in accordance with the Announcement on the Procedures for the Review and Approval of Drug Clinical Trials published by the NMPA.

- In January 2024, based on the data collected from Phase I and Phase II clinical studies we communicated with the CDE for proceeding with a Phase IIb trial of XTR003 for PET imaging of CAD with left ventricular dysfunction. In April 2024, we obtained the regulatory clearance from the CDE to conduct this trial, which constituted a "no objection" from the NMPA.

As of the Latest Practicable Date, we have not received any concerns or objections from the NMPA related to our clinical development plans, including the conduct of Phase II or later-stage clinical trials.

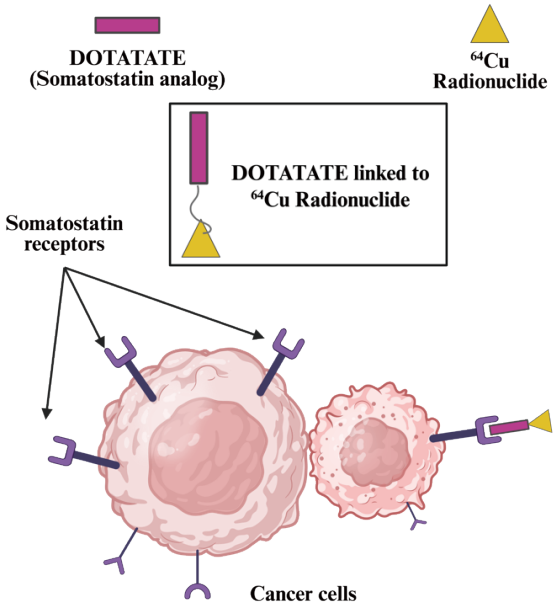
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR003 SUCCESSFULLY.

XTR015 – ^{64}Cu-labeled SSTR-targeted PET Tracer

XTR015 is a ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. The targeting ligand of XTR015 incorporates the same Octreotate structure, making it a reference for pre-treatment testing and post-treatment efficacy evaluation in patients receiving ^{177}Lu-DOTATATE, such as XTR008. The ^{64}Cu isotope enables high-resolution PET imaging to detect tumor receptor expression and disease burden. Compared to ^{68}Ga-labeled tracers, ^{64}Cu offers several advantages, including a longer half-life (12.7 hours vs. 67.7 minutes), better spatial resolution due to a shorter positron range, and a more flexible imaging window (one to three hours vs. one hour post-injection), which enhances clinical efficiency. This allows for centralized production, wider distribution, and more accessible clinical use. In July 2024, we obtained the IND approval from the NMPA for conducting Phase III clinical trials of XTR015 for the diagnosis of NETs, and we expect to complete the Phase III clinical trial in 2026.

Mechanism of Action

XTR015 (i.e. ^{64}Cu-DOTATATE) binds to SSTR, with the highest affinity for SSTR. It specifically targets cells that express somatostatin receptors, including malignant neuroendocrine cells that overexpress SSTR2. ^{64}Cu is a positron (β +) emitting radionuclide with an emission yield suitable for PET imaging. The relatively long half-life of ^{64}Cu (approximately 12.7 hours) allows for flexible imaging windows and centralized production of the radioligand, facilitating regional distribution and improving clinical practicality.



Source: Company data

Market Opportunities and Competition

The clinical diagnosis of NENs involves a combination of symptom assessment, laboratory testing, imaging, endoscopy, and pathological analysis. Functional NETs manifest with hormone-related syndromes such as hypoglycemia or Zollinger-Ellison syndrome, while non-functional tumors are often asymptomatic and present symptoms only when large or metastatic. Laboratory testing includes tumor markers like Chromogranin A ("**CgA**") and Neuron-specific enolase ("**NSE**"), and hormone/metabolite analysis specific to tumor types (e.g., insulin, gastrin, 5-HIAA). Imaging techniques include contrast-enhanced CT/MRI, ultrasound, and endoscopic ultrasound ("**EUS**"), along with molecular imaging such as SSTR-based PET/SPECT and ^{18}F-FDG PET-CT, tailored to tumor differentiation. Endoscopy and EUS are crucial for detecting and biopsying gastrointestinal lesions. Pathological diagnosis involves immunohistochemical staining for neuroendocrine and organ-specific markers, Ki-67 for grading, and molecular pathology for detecting characteristic mutations.

CT is typically the first-choice imaging modality for NENs due to its high sensitivity, acceptable specificity, and broad availability. However, it may fail to detect small pancreatic or gastrointestinal NENs, a limitation also shared by MRI. Ultrasonography presents additional constrains, including operator-dependent variability, poor penetration in fibrotic and calcified tissues, and inadequate spatial resolution, all of which collectively reduce diagnostic efficacy.

As approximately 90% of NENs express SSTRs, nuclear medicine imaging methods have become the standard approach for diagnosing and assessing NENs, particularly well-differentiated NETs. SSTR-based modalities provide critical clinical benefits, including primary tumor staging and metastatic evaluation, pre-surgical planning, detection of occult primaries in metastatic disease, patient selection for PRRT, evaluation of treatment response and prediction of disease prognosis.

SSTRs imaging techniques include SSTR-PET and SPECT scintigraphy. Currently, ^{68}Ga-labeled PET tracers are considered the "gold standard" for imaging NETs, while ^{111}In-DTPA-octreotide SPECT remains a useful alternative. However, ^{64}Cu-labeled PET tracers offer significant advantages over both ^{68}Ga-labeled PET tracers and ^{111}In-DTPA-octreotide in diagnosing NETs. Studies have shown that ^{64}Cu-labeled PET tracers have a superior lesion detection rate compared to ^{68}Ga-labeled PET tracers, with most of the additional lesions identified being true positives. When compared to ^{111}In-DTPA-octreotide SPECT, ^{64}Cu-labeled PET tracers detected twice as many lesions and identified additional organ involvement in one-third of patients. The improved performance of ^{64}Cu-labeled PET tracers is likely due to its lower positron range, which enhances lesion detection accuracy. Additionally, its longer shelf life (approximately 48 hours) and flexible imaging window (one to three hours) make it particularly well-suited for routine clinical use.

As of the Latest Practicable Date, four SSTR-targeted PET tracers had been approved for marketing globally. The global market size for SSTR-targeted PET tracers was US$0.2 billion in 2018 and reached US$0.6 billion in 2024, with a CAGR of 17.6%. It is projected to grow to US$1.2 billion in 2035, representing a CAGR of 7.1% from 2024 to 2035. In China, no SSTR-targeted PET tracers had been approved for marketing as of the Latest Practicable Date. With the anticipated approval of the first SSTR-targeted PET tracer in 2026, the market in China is expected to reach RMB1,001.6 million in 2035.

As of the Latest Practicable Date, at least six SSTR-targeted PET tracers had received IND approvals globally, and five SSTR-targeted PET tracers had received IND approvals from the NMPA. Among them, two were under clinical development in China, both of which were ^{68}Ga-labeled radioligands in Phase III clinical trials.

Competitive Advantages

Superior Imaging Performance of PET Tracers

Compared to SPECT imaging, PET tracers provide significant advantages in terms of spatial resolution, sensitivity, and receptor affinity. For SSTR-targeted imaging – commonly used in the diagnosis of NETs – PET tracers demonstrate a higher binding affinity to SSTR. This enhanced affinity improves the detection of small lesions, increasing the accuracy of tumor localization and staging. As a result, PET-based imaging has become an increasingly important tool in guiding clinical decision-making and optimizing treatment strategies for NET patients.

Clinical Advantages of ^{64}Cu Compared to ^{68}Ga

- **Longer Half Life.** Currently, the most commonly used SSTR-targeted tracers are ^{68}Ga-labeled somatostatin analogs. However, ^{68}Ga has a short half-life of only 67.7 minutes, requiring on-site synthesis at medical facilities equipped with a ^{68}Ge/^{68}Ga generator. This places a considerable logistical and operational burden on hospitals. ^{64}Cu has a significantly longer half-life of approximately 12.7 hours, allowing for centralized production and wider distribution. This enables more flexible logistics, facilitates batch manufacturing by pharmaceutical companies, and enhances accessibility in clinical practice.

- **Improved Image Resolution Through Lower Positron Range.** From a physical perspective, ^{64}Cu emits positrons with a shorter range in tissue compared to ^{68}Ga. This shorter positron range translates to better spatial resolution in PET images. The higher image clarity provided by ^{64}Cu-labeled tracers can help distinguish small or closely spaced lesions more effectively, which is particularly important in anatomically complex regions or in detecting early-stage disease.

- **Extended Imaging Window Enhances Clinical Flexibility.** Another key advantage of ^{64}Cu-labeled tracers lies in their extended imaging time window. While ^{68}Ga-labeled agents typically require PET scanning at around one hour post-injection, delayed imaging can negatively affect image quality. In contrast, ^{64}Cu-labeled tracers allows for imaging between one to three hours post-injection without significant differences in diagnostic outcomes. This wider imaging window offers greater flexibility in scheduling, improves workflow efficiency, and reduces time pressure on both healthcare providers and patients.

- **Broad Applicability.** Both ^{64}Cu-labeled and ^{68}Ga-labeled SSTR-targeted PET tracers have demonstrated high sensitivity in the diagnosis of neuroendocrine tumors. In terms of diagnostic performance, studies suggest that ^{64}Cu-labeled tracers and ^{68}Ga-labeled tracers offer comparable efficacy. However, the practical advantages of ^{64}Cu – such as its longer half-life, enhanced spatial resolution, and expanded imaging window – make it more adaptable to a broader clinical implementation. This positions ^{64}Cu-based tracers as a promising option for wider adoption in SSTR-targeted PET imaging.

Licenses, Rights and Obligations

We have global rights to develop, manufacture and commercialize XTR015.

Material Communications with Competent Authorities

Based on our communications with the NMPA, we has secured IND approval from the NMPA to conduct Phase III clinical trials of XTR015 for the diagnosis of NETs. The trial design incorporates pharmacokinetics and radiation dosimetry studies. Phase II clinical trials are not required to be conducted, as XTR015 is a generic version of Detectnet®. We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR015 SUCCESSFULLY.

XTR010 –^{177}Lu-labeled PSMA-targeted Radioligand Therapy

XTR010 is an innovative ^{177}Lu-labeled PSMA-targeted radioligand therapy for the treatment of mCRPC. PSMA is an ideal therapeutic target due to its elevated expression in mCRPC and its positive correlation with Gleason scores. XTR010 utilizes a PSMA-targeted targeting ligand that binds selectively to PSMA on prostate cancer cells. Upon binding, the radioligand is internalized into the cells, where the radionuclide ^{177}Lu emits beta particles to induce DNA damage and cell death, sparing normal tissues. Such mechanism of action was validated by Novartis' Pluvicto® through its clinical trials and its FDA approval.

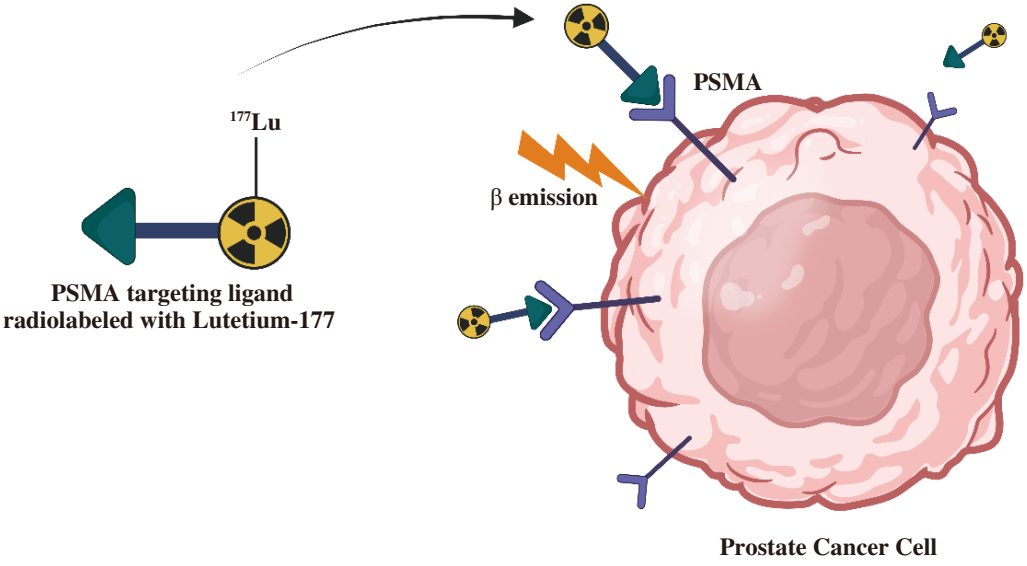
Different from Pluvicto®, XTR010 incorporates a structurally optimized targeting ligand, enhancing tumor uptake with a reduced radionuclide dose, offering an effective treatment for bone metastases. While Pluvicto® is currently the only globally approved radioligand therapy for mCRPC, XTR010 stands out as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China, positioning it ahead of domestic competitors. Additionally, its optimized ligand structure provides a cost advantage, requiring a smaller dose of radionuclide for similar or improved therapeutic effects, making XTR010 a promising, cost-effective treatment option for prostate cancer patients.

As of the Latest Practicable Date, we were advancing XTR010 in a Phase I/II clinical trial in patients with mCRPC. We expect to complete the Phase I study of the Phase I/II trial in 2025.

Mechanism of Action

PSMA is a transmembrane protein that plays a critical role in promoting cell survival and proliferation. It is highly overexpressed in prostate cancer cells – by approximately 100 to 1000 times compared to normal tissues – and its expression level correlates positively with Gleason scores, indicating more aggressive disease. Notably, PSMA expression is further elevated in patients with mCRPC, making it an ideal therapeutic target.

XTR010 utilizes a PSMA-targeted targeting ligand that binds selectively to PSMA on the surface of prostate cancer cells. Upon binding, the radioligand is internalized into the tumor cells via receptor-mediated endocytosis. Once internalized, the radionuclide ^{177}Lu emits β-particles, which induce DNA damage and subsequent cell death in PSMA-expressing tumor cells and neighboring cancer cells through the crossfire effect, while sparing most normal tissues. This targeted mechanism allows XTR010 to deliver potent and localized radiation therapy, thereby improving tumor control and minimizing systemic toxicity.



Source: Company data

Market Opportunities and Competition

Prostate cancer is a common malignancy among middle-aged men, typically between 45 and 60 years old, and remains a major cause of male mortality worldwide. It is often diagnosed through prostate-specific antigen ("**PSA**") testing, digital rectal exams, MRI, and prostate biopsy. Genetic mutations – particularly those affecting the androgen receptor signaling pathway and testosterone metabolism – play a critical role in its development. In recent decades, PSMA has emerged as a promising diagnostic and therapeutic target due to its high expression in nearly all stages of prostate cancer, including bone and lymph node metastases, while maintaining low expression in normal tissues. PSMA levels in prostate cancer can increase by 100 to 1,000 times compared to benign tissues and further rise with tumor progression, especially in CRPC, a form of prostate cancer that continues to progress despite medical or surgical treatments to lower testosterone. Moreover, its large extracellular domain makes it accessible to small molecules and antibody-based therapies, and its internalization by tumor cells enhances its potential for targeted treatment.

Globally, the incidence of prostate cancer reached 1.3 million in 2018 and increased to 1.5 million in 2024, with a CAGR of 3.1%. The number is expected to further grow to 2.0 million in 2035, with a CAGR of 2.6% from 2024 to 2035. In China, the incidence of prostate cancer rose from 93,700 in 2018 to 158,600 in 2024, representing a CAGR of 9.2%. It is projected to further increase to 310,900 in 2035, with a CAGR of 6.3% from 2024 to 2035. In China, approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy. Approximately 70% of patients with prostate cancer experience disease progression after first-line treatment.

The standard of care for prostate cancer varies by stage and disease progression. In mCRPC, treatment progresses through multiple lines: first-line options include abiraterone, prednisone, chemotherapy (such as docetaxel), and others; second-line treatment varies depending on prior therapy and includes chemotherapy, and PARP inhibitors (for patients with homologous recombination repair mutation); third-line options add agents such as ^{177}Lu-PSMA-617 and pembrolizumab. Despite available treatments, nearly all patients progress to CRPC within 18 to 24 months of endocrine therapy, and in China, curative options for mCRPC remain lacking, with generally poor prognosis at this stage.

Since the approval of Pluvicto® in the U.S. in 2022, the global market for PSMA-targeted therapeutic radioligands has increased from US$0.3 billion in 2022 to US$1.4 billion in 2024. The market size is projected to expand significantly, reaching US$16.2 billion in 2035, with a CAGR of 25.0% from 2024 to 2035. In China, no PSMA-targeted therapeutic radioligands have been approved for prostate cancer treatment as of the Latest Practicable Date. However, with the anticipated approval of the first PSMA-targeted therapeutic radioligands in 2026, the market in China is expected to grow significantly, reaching RMB13.3 billion in 2035.

As of the Latest Practicable Date, Pluvicto® was the only radioligand therapy approved globally for the treatment of prostate cancer. It was first approved by the FDA in 2022 for adult patients with PSMA-positive mCRPC who have previously received androgen receptor pathway inhibition and taxane-based

chemotherapy. Pluvicto® is currently commercially available in the U.S. and EU, and has submitted a NDA to the NMPA for the treatment of mCRPC as a third-line therapy in China. Additionally, Pluvicto® is undergoing indication expansion to broaden its therapeutic applications. Since its approval, Pluvicto® has experienced notable sales growth, increasing from approximately US$271 million in 2022 to US$1,390 million in 2024. The drug is expected to further explore opportunities for commercial expansion across treatment lines, geographic regions, and new indications, aiming to establish itself as a key player in the radiopharmaceutical market.

As of the Latest Practicable Date, there were 17 PSMA-targeted therapeutic radioligands under Phase II or later stage clinical development on a global scale, with six of them in Phase II or later-stage development in China. For details regarding the competitive landscape of PSMA-targeted therapeutic radioligands, see "Industry Overview – Major Indications – Prostate Cancer – Treatment of Prostate Cancer."

Competitive Advantages

XTR010 is an innovative PSMA-targeted radiopharmaceutical designed to treat mCRPC. Its development was guided by the mechanism of action validated through Novartis' Pluvicto®, which demonstrated significant improvements in overall survival and progression-free survival in the VISION Phase III trial for prostate cancer patients. XTR010 incorporates a structurally optimized targeting ligand molecule, enhancing tumor uptake with a reduced dose of radionuclide, offering an effective treatment for patients with prostate cancer.

In the competitive landscape, Pluvicto® remains the only globally approved radioligand therapy for mCRPC, having received FDA marketing approval in 2022. It has also been accepted for priority review by CDE for the same indication. While Pluvicto® leads the market, several PSMA-targeted radioligand therapies developed by domestic Chinese companies, including us, have entered clinical trial phases.

Among these competing candidates, XTR010 stands out with its significant competitive advantages, including its advanced clinical development status as the first PSMA-targeted radiopharmaceutical to receive IND approval in China. This achievement positions XTR010 ahead of domestic competitors. Furthermore, the structural optimization of its targeting ligand provides a notable cost advantage, requiring a smaller dose of radionuclide for similar therapeutic effects. These innovations position XTR010 as a promising, cost-effective treatment option for prostate cancer patients.

Summary of Clinical Trial

Phase I/II Clinical Trial of XTR010 in Patients with mCRPC

Trial Design. This is an open-label Phase I/II clinical trial designed to evaluate the safety, tolerability, radiation dosimetry, pharmacokinetics, and efficacy of XTR010 in patients with metastatic prostate cancer. The trial is sponsored and conducted by us in China. Enrolled patients will receive 123 MBq/mL XTR010 via a single intravenous injection at a dose of either 1.11 GBq or 1.85 GBq, administered once every 8 weeks for a total of four doses.

In the Phase I dose-confirmation study, the primary objectives are to assess the safety and tolerability of XTR010 at doses of 1.11 GBq and 1.85 GBq in patients with mCRPC, as well as to evaluate the radiation dosimetry and PK profile following a single dose. The secondary objective is to assess efficacy endpoints in the two dose groups.

In the Phase II expansion study, the primary objective is to evaluate the efficacy of the recommended Phase II dose, as determined from the Phase I dose-confirmation study, in combination with standard therapy across different cohorts of metastatic prostate cancer. Secondary objectives include evaluating additional efficacy endpoints, as well as safety and tolerability.

Trial Status. We initiated the Phase I study in September 2023, and the trial is currently ongoing.

Licenses, Rights and Obligations

In 2018, we entered into an agreement (the "**XTR010 Agreement**") with an Independent Third Party to in-license exclusive global rights to make, use, sell, offer to sell, and import Evans blue-modified small molecule-based PSMA radiotherapies, including XTR010, for the treatment of metastatic castration-resistant prostate cancer. In-licensed while XTR010 was in the preclinical stage, we carried out preclinical studies, and independently sponsored and are advancing a Phase I/II clinical trial of XTR010 in China.

Material Communications with Competent Authorities

We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR010 SUCCESSFULLY.

XTR021 – Potential Best-in-class ^{177}Lu-labeled PSMA-targeted Radioligand Therapy

XTR021 is a potential best-in-class, ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). For details regarding market opportunities and competition of PSMA-targeted therapeutic radioligands, see "– Product Candidates – XTR010 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy – Market Opportunities and Competition."

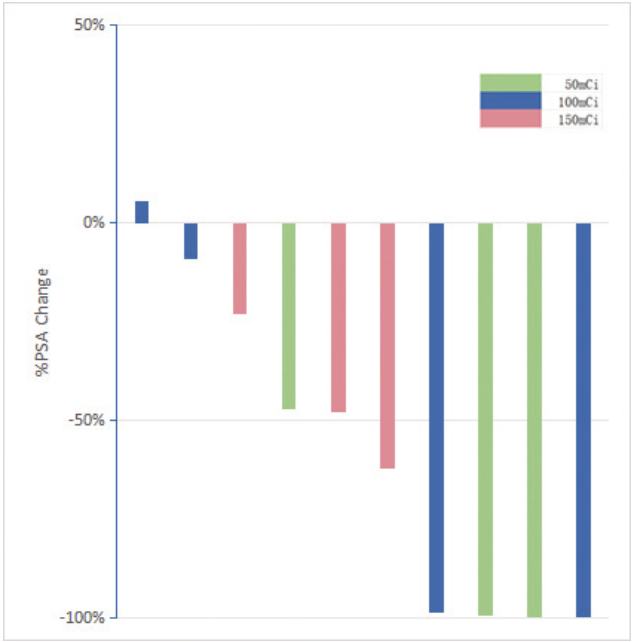
Preclinical and clinical data have shown that XTR021 exhibited strong inhibitory activity against human PSMA and superior internalization efficiency compared to ^{177}Lu-PSMA-617, potentially offering better tumor targeting and reduced off-target toxicity. In an IIT, XTR021 has demonstrated a rapid prostate-specific antigen response, indicating improved efficacy and reduced treatment-related toxicity, positioning it as a promising innovative therapy for advanced prostate cancer. As of the Latest Practicable Date, XTR021 was investigated under an IIT in patients with PSMA-positive mCRPC in China. We plan to submit IND application in 2026.

Competitive Advantages

The therapeutic potential of XTR021 has been supported by both preclinical and clinical data. In preclinical studies, the targeting ligand of XTR021 exhibited potent inhibition of enzymatic activity and a high binding affinity against human PSMA, at single digit and sub-nanomolar range, respectively. Unlike ^{177}Lu-PSMA-617, the affinity and potency of XTR021 remain uncompromised following ^{177}Lu conjugation. Furthermore, according to preclinical studies, XTR021 exhibited enhanced internalization into PSMA-positive tumor cells – an essential feature for maximizing the therapeutic efficacy of radioligand therapy. In head-to-head comparisons using PSMA-positive xenograft models, XTR021 demonstrated a higher tumor-to-nontumor uptake ratio and a longer mean tumor residence time than ^{177}Lu-PSMA-617, indicating improved tumor targeting and potentially reduced off-target toxicity.

In an IIT, XTR021 has shown a rapid onset of prostate-specific antigen response, which is associated with longer radiographic progression-free survival – a key indicator of clinical benefit. The IIT was designed to evaluate the safety, dosimetry, and efficacy of XTR021 in patients with PSMA-positive mCRPC, and consists of a dose-escalation stage and a dose-expansion stage. As of the data cutoff date of April 30, 2025, 12 patients had been enrolled in the study, with ten patients having undergone at least one PSA response assessment. A PSA decline was observed in 90% of patients, with PSA50 and PSA90 response rates of 60% and 40%, respectively. All responders achieved PSA50 responses within two cycles.

Best PSA Response Post Injection of XTR021



Note:

The data cutoff date was April 30, 2025.

Source: Company data

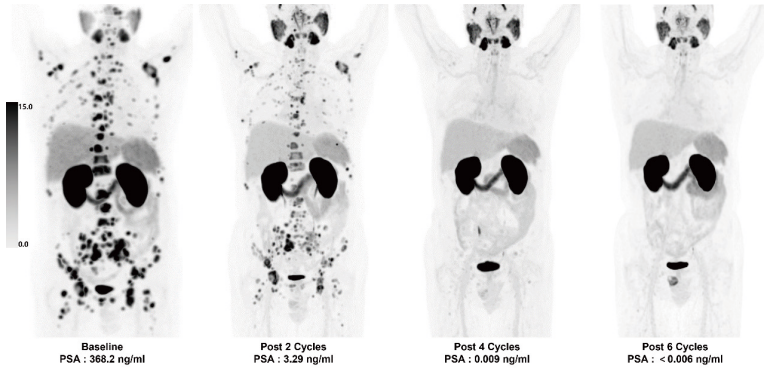
Dosimetry analysis revealed a tumor absorbed dose of 3.46 ± 1.74 Gy/GBq, with a biological half-life of 200.56 ± 128.21 hours. The absorbed doses to the kidneys, red marrow, and salivary glands were 0.67 ± 0.50, 0.05 ± 0.02, and 0.51 ± 0.12 Gy/GBq, respectively. The tumor-to-salivary gland absorbed dose ratio was 7.22. No Grade ≥3 adverse events or salivary toxicity were observed. These results indicate a well-defined metabolic pathway and a favorable safety profile.

Common TEAEs (Incidence Rate ≥10%) of XTR021

PT(Occurring in ≥10% of patients – n (%)	XTR021 (n = 10)	
	All grades	Grade ≥3
Any – n (%)	6 (60)	0
Anemia	1 (10)	0
Leukocyte count decreased	1 (10)	0
Urinary tract infection	1 (10)	0
Liver injury	1 (10)	0
Alanine aminotransferase increased	1 (10)	0
Cough	2 (20)	0
Fever	2 (20)	0
Upper respiratory tract infection	1 (10)	0

Source: Company data

Based on preliminary efficacy data from the IIT, XTR021 demonstrated promising antitumor activity. The images below show results from a 73-year-old male patient with castration-resistant prostate cancer and multiple bone metastases. He received 1.85 GBq of XTR021 and underwent PSMA-PET/CT scans after every two treatment cycles. A significant treatment response was observed after six cycles.



Source: Company data

This suggested that XTR021 may offer improved therapeutic efficacy with potentially lower treatment-related toxicity, highlighting its promise as a next-generation radioligand therapy for patients with advanced prostate cancer.

Licenses, Rights and Obligations

As XTR021 is internally discovered and developed by us, we maintain the exclusive global rights to develop, manufacture and commercialize XTR021.

Material Communications with Competent Authorities

We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR021 SUCCESSFULLY.

XTR012 – Radiotherapy Based on ^{233}Ra

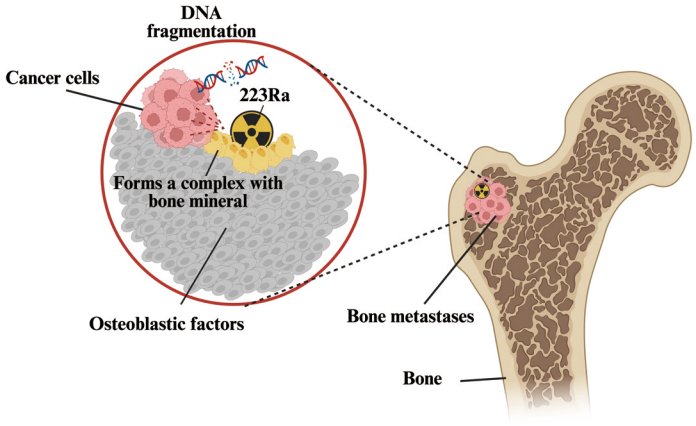
XTR012 is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from prostate cancer. It is a generic version of Xofigo® (radium-223 dichloride). Using the radioactive isotope ^{223}Ra, which mimics calcium, XTR012 selectively targets bone metastases, particularly in areas with increased bone turnover, by binding to the bone mineral hydroxyapatite. The alpha particles emitted by ^{223}Ra cause localized DNA damage in tumor cells, effectively killing them while minimizing damage to surrounding healthy tissue. XTR012 surpasses conventional treatments like bisphosphonates and denosumab by combining tumor-specific targeting, the potent cytotoxicity of alpha particles, and simultaneous eradication of metastases and preservation of bone integrity. Clinical data indicated that XTR012 can improve survival and alleviate symptoms in patients with CRPC bone metastases, making it a promising treatment option with potential to significantly enhance quality of life for these patients. We submitted the ANDA to the NMPA in February 2025, and expect to obtain the marketing approval in 2026.

Mechanism of Action

XTR012 is a targeted alpha-emitting radiopharmaceutical used for the treatment of CRPC patients with symptomatic bone metastases and no evidence of visceral metastatic disease.

The radioactive isotope of XTR012 is radium-223 (^{233}Ra), a calcium mimic. Once administered intravenously, ^{233}Ra selectively targets bone metastases, particularly in areas with increased bone turnover, such as metastatic bone lesions. It binds to the bone mineral hydroxyapatite, forming complexes at sites of bone metastasis. ^{233}Ra emits highly localized alpha particles with a short path length of less than 100 μm (less than 10 cell diameters), yet sufficient to cause damage to neighboring tumor cells. The alpha radiation generated by ^{233}Ra results in high linear energy transfer (80 KeV/m), causing double-strand DNA breaks in nearby tumor cells and inducing their death.

Due to its short-range radiation, ^{233}Ra's effects are highly localized to the bone metastasis sites, minimizing damage to surrounding healthy tissue and reducing off-target toxicity. This targeted action delivers effective anti-tumor effects in bone metastases, alleviating symptoms, delaying disease progression, and improving overall survival for patients with prostate cancer that has spread to the bones.



Source: Company data

Market Opportunities and Competition

As a common malignancy among middle-aged men, the incidence of prostate cancer reached 1.3 million in 2018 and increased to 1.5 million in 2024, with a CAGR of 3.1%. The number is expected to further grow to 2.0 million in 2035, with a CAGR of 2.6% from 2024 to 2035. In China, the incidence of prostate cancer rose from 93,700 in 2018 to 158,600 in 2024, representing a CAGR of 9.2%. It is projected to further increase to 310,900 in 2035, with a CAGR of 6.3% from 2024 to 2035. In China, approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy. Although the standard of care for prostate cancer varies by stage and disease progression, for bone metastasis from mCRPC, ^{233}Ra radiotherapy is recommended across all treatment lines.

Competitive Advantages

XTR012 offers targeted, dual-action therapy that provides effective tumor cell killing while preserving bone structure. Its ability to improve survival and quality of life in patients with symptomatic bone metastasis, especially in early-stage disease, makes it a promising treatment option for CRPC.

Although the primary treatments for bone metastases include bisphosphonates and denosumab, XTR012 offers several advantages over these drugs:

1. ***Targeted Therapy***. XTR012 mimics calcium ions, binding to hydroxyapatite in bones and accumulating precisely in the active regions of bone metastases. This "pathological bone-targeting" effect ensures minimal damage to healthy tissues.

2. ***Alpha Particle Advantage***. XTR012 emits high-energy alpha particles that cause lethal damage to tumor cells while minimizing radiation-induced damage to surrounding tissues.

3. ***Dual Treatment Effects.*** In addition to directly killing tumor cells, XTR012 also inhibits the abnormally active osteoblasts and osteoclasts in bone metastasis regions, protecting bone structure and reducing the risk of pathological bone growth and complications.

4. ***Improved Survival and Symptom Relief***. Data from the BC1-06 clinical study, a Phase III clinical trial of Xofigo® in men with CRPC and bone metastases, show that the Xofigo® group had a median overall survival of 14.9 months compared to 11.3 months in the placebo group ($P < 0.01$). Additionally, secondary endpoints such as alkaline phosphatase, prostate-specific antigen, skeletal-related events, and quality of life were significantly better in the Xofigo® group. This indicates that XTR012, a generic version of Xofigo® can not only prolong survival but also significantly relieve bone pain and improve quality of life in patients with symptomatic bone metastasis from CRPC.

Licenses, Rights and Obligations

We have global rights to develop, manufacture and commercialize XTR012.

Material Communications with Competent Authorities

XTR012, as a generic version of Xofigo®, is not required by the NMPA to conduct clinical trials to investigate the safety and efficacy. Based on the approval of Xofigo® in China as well as the data demonstrating that XTR012 has the same quality as Xofigo®, we submitted the ANDA of XTR012 for the treatment of bone metastases from prostate cancer to the NMPA in February 2025. We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR012 SUCCESSFULLY.

XTR020 – ^{18}F-labeled PSMA-targeted PET Tracer

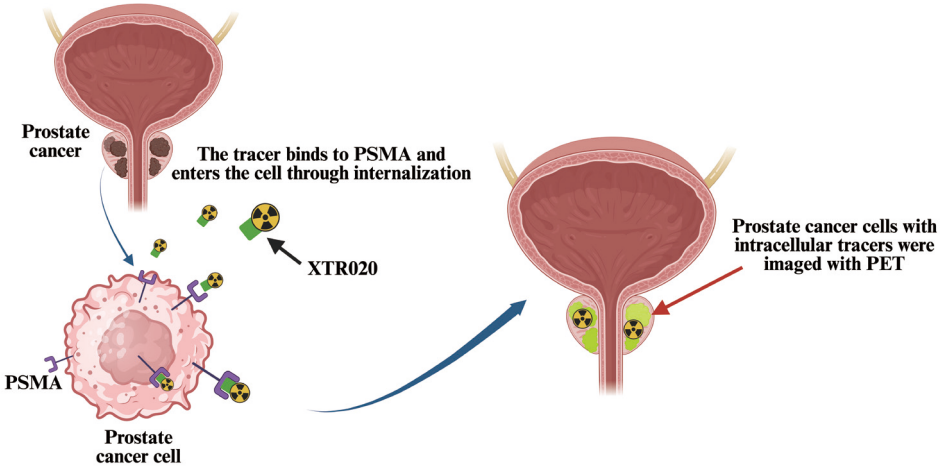
XTR020 is a PSMA-targeted PET radioligand for the diagnosis of prostate cancer. PSMA is highly expressed on prostate cancer cells, making it an ideal target for imaging, especially in metastatic and castration-resistant disease. XTR020 binds selectively to PSMA-expressing cells, enabling highly sensitive detection of both primary and metastatic lesions via PET scanning, and outperforming conventional

imaging. Due to its longer half-life compared to ^{68}Ga-labeled agents, XTR020 can be used directly in nuclear medicine departments without the need for re-labeling, making it simpler and more convenient to use while offering potential clinical advantages. With no approved PSMA-targeted PET tracers in China, XTR020 addresses a significant unmet clinical need, and its approval in the U.S. positions it for rapid entry into the Chinese market, providing a cost-effective and efficient diagnostic solution. We received the IND approval from the NMPA in September 2024, and initiated a registrational Phase III clinical trial of XTR020 for the diagnostic imaging and staging of prostate cancer in China in March 2025 and expect to complete the trial in 2026.

Mechanism of Action

PSMA is significantly overexpressed on the surface of most prostate cancer cells, especially in metastatic and castration-resistant disease. This overexpression makes PSMA an ideal molecular target for diagnostic imaging. PSMA-targeted radioligands usually are small molecules or peptides engineered to bind selectively to PSMA with high affinity. These ligands are labeled with positron-emitting radionuclides such as ^{68}Ga or ^{18}F, enabling visualization through PET scanning.

XTR020 is a ^{18}F-labeled PSMA-targeted PET tracer. After intravenous administration, it circulates through the body and binds specifically to PSMA-expressing cells in the prostate tumor and its metastases. XTR020 emits beta positrons, which are captured by PET imaging, producing highly sensitive and specific images of tumor location and extent. It helps clinicians to identify both primary lesions and distant metastases, even those that are too small or biologically inactive to be detected by conventional imaging. Compared to the conventional diagnostic method, such as CT or MRI, PSMA PET provides superior accuracy in defining lesion boundaries, nodal involvement, and disease staging, thus guiding more appropriate treatment decisions.



Source: Company data

Market Opportunities and Competition

Early detection and accurate diagnosis are critical for effective prostate cancer management. PSA, a protein produced by prostate cells and mainly present in semen, is also found in the blood, where levels above 4 ng/ml may indicate prostate cancer. Genetic testing is also encouraged to guide treatment decisions and provide counseling, as mutation profiles vary with disease stage.

For clinical diagnosis, one or more approaches can be used to determine the disease stage and invasiveness. Digital rectal examination remains a valuable early diagnostic tool, despite its limitations in detecting non-palpable tumors. MRI has become one of the primary methods due to its effectiveness in tumor detection, staging, and guiding biopsies. PET-CT, particularly radionuclide-labeled PSMA-targeted PET tracer in combination with CT, offers superior diagnostic accuracy by targeting the PSMA protein highly expressed in prostate cancer cells, outperforming conventional imaging modalities ("**CIMs**") such as CT, MRI and ultrasound. Biopsy remains essential for diagnosis, although systematic transrectal or transperineal prostate biopsy may lead to false negatives or overdiagnosis.

PSMA-targeted targeting ligands, such as antibodies or small molecules labeled with radionuclide tracers, facilitate precise visualization via PET imaging. When combined PSMA-targeted PET tracers with CT, PET-CT demonstrates high sensitivity and specificity in the detection and staging of prostate cancer, because this approach combines the molecular capabilities of PET with the morphologic features of CT, offering advantages over CIMs for diagnosing and monitoring various cancers, including prostate cancer.

PSMA-targeted PET-CT can be utilized for a range of clinical applications, including diagnosing primary lesions, guiding biopsies, staging and restaging, detecting biochemical recurrence, assessing treatment efficacy, and supporting PSMA-targeted radioligand therapy. It has also demonstrated superior sensitivity and specificity in detecting bone metastases compared to other imaging techniques. The heightened sensitivity of PSMA-targeted PET enables earlier detection of metastases, which can lead to a transition from nmCRPC to mCRPC in many patients. Early identification of these metastases has the potential to improve clinical decision-making and optimize patient management. Given its enhanced performance compared to CIMs, PSMA-targeted PET is expected to improve the diagnosis of prostate cancer.

In China, there were no PSMA-targeted PET tracers approved for the diagnosis of prostate cancer as of the Latest Practicable Date. However, with the anticipated approval of the first PSMA-targeted PET tracer in 2026, the market in China is expected to reach RMB3.3 billion in 2035.

^{18}F-Flotufolastat injection, developed by BED, was approved by the FDA and launched in the U.S. in 2023. We have in-licensed the exclusive patent rights controlled by BED for the development, manufacture, and commercialization of ^{18}F-Flotufolastat, also known as XTR020, as a radiopharmaceutical product for diagnostic imaging and staging of prostate cancer in mainland China. As of the Latest Practicable Date, no PSMA-targeted PET tracers had been approved for marketing in China. As of the Latest Practicable Date, ^{68}Ga-PSMA-11 by Novartis had submitted NDA to the NMPA. Seven PSMA-targeted PET tracers were under clinical development for the diagnosis of prostate cancer in the country. Among them, XTR020, along with four other candidates, was in the registrational Phase III clinical stage. For details regarding the competitive landscape of PSMA-targeted PET tracer, see "Industry Overview-Major Indications – Prostate Cancer – Diagnosis of Prostate Cancer."

Competitive Advantages

Strong International Clinical Evidence

^{18}F-Flotufolastat (or XTR020) has demonstrated clinical performance in two pivotal Phase III trials conducted by BED in the U.S.: the LIGHTHOUSE and the SPOTLIGHT studies.

The LIGHTHOUSE study enrolled 356 patients with intermediate- to high-risk prostate cancer who were scheduled for radical prostatectomy and pelvic lymph node dissection. Of these, 296 patients underwent surgery and had sufficient histopathological data to assess lymph node metastases. The specificity of ^{18}F-Flotufolastat ranged from 92.9% to 96.9%, which supports its clinical utility in high-risk patients. Moreover, XTR020 showed value in identifying lesions missed by conventional imaging, potentially altering treatment strategies.

The SPOTLIGHT study was a multicenter, single-arm trial involving 389 patients with suspected biochemical recurrence of prostate cancer based on rising PSA levels. PSMA PET imaging was used to detect potential lesions, with the standard of truth based on histopathology and imaging. The correct detection rate across three independent readers ranged from 48.3% to 50.9%, while the positive predictive value ranged from 46.2% to 60.3%. The results confirmed XTR020's high accuracy in detecting recurrent lesions, providing valuable information for treatment decisions, especially when recurrence occurs in the prostate or prostate bed, which may be amenable to curative therapy.

Clinical Advantages and Unmet Needs

Prostate cancer is one of the most common malignancies in men. Early and accurate diagnosis, particularly for micro-metastatic or recurrent lesions, is crucial for improving outcomes. Conventional imaging methods such as CT or MRI, are often inadequate in detecting early or small lesions. PSMA, highly expressed on prostate cancer cells, serves as an ideal molecular target for PET imaging.

XTR020, by targeting PSMA, delivers high lesion detectability and specificity. According to the results from the SPOTLIGHT study and the LIGHTHOUSE study, for recurrent patients, XTR020 can improve correct detection rates from approximately 20% with conventional imaging to approximately 60%. For newly diagnosed patients, it provides >90% specificity in identifying pelvic lymph node metastases. As such, XTR020 may potentially be used in the future to support decision-making across the entire care continuum – initial diagnosis, staging, treatment monitoring, and recurrence assessment – enabling more personalized and effective management.

Additionally, as an ^{18}F-labeled agent with a longer half-life (109.7 min) than ^{68}Ga-labeled alternatives (67.7 minutes), XTR020 is logistically more convenient, allowing broader regional distribution and more efficient clinical workflows.

Favorable Competitive Landscape and Market Potential

As of the Latest Practicable Date, there were no approved PSMA-targeted PET tracer in China, despite clear and urgent clinical demand. Given ^{18}F-Flotufolastat's FDA approval and validated safety and efficacy in clinical trials, only a bridging study is required to confirm XTR020's safety and diagnostic efficacy in Chinese patients. This shortens the clinical development timeline, accelerating its availability and helping to address the significant unmet need in prostate cancer diagnosis in China.

Furthermore, as a locally produced product, XTR020 avoids the high costs associated with importing PSMA agents. This cost advantage, combined with scalable manufacturing, enhances its commercial viability and affordability, supporting widespread clinical adoption. Therefore, we believe XTR020 is well-positioned to be a first-mover, with potential to rapidly capture market share by offering superior diagnostic performance and operational convenience.

Summary of Clinical Trial

Phase III Clinical Trial of XTR020 for the Diagnosis of BCR Prostate Cancer

Trial Design. This is an open-label Phase III clinical trial designed to evaluate the diagnostic efficacy and safety of XTR020 in subjects with biochemically recurrent ("**BCR**") prostate cancer following prior treatment. The trial is sponsored and conducted by us in China. Enrolled subjects will receive a single intravenous bolus injection of XTR020 at a single dose of 8.0 mCi (296 MBq) ± 20%, followed by a PET-CT scan. Three central readers, blinded to clinical information, will independently interpret each scan by region to identify the presence and location of lesions considered positive for prostate cancer. XTR020 treatment group interpretations will be compared to a standard of truth ("**SoT**"), based on either histopathology or other imaging modalities (CT, MRI, or ^{99m}Tc bone scan) obtained within 90 days of the scan, using a lesion-to-lesion co-localization method and a separate consensus panel.

The primary endpoint of this study is the correct detection rate ("**CDR**") of XTR020 at the individual level. Secondary endpoints include: (1) Positive predictive value ("**PPV**") of XTR020 at the individual level; (2) PPV and CDR of XTR020 in specific anatomical regions, including the prostate bed, pelvic lymph nodes, and three additional regions; (3) PPV and CDR at the individual level in subjects with negative baseline conventional imaging; (4) PPV and CDR of XTR020 across different PSA levels; (5) Inter-and intra-reader agreement (kappa values) among independent, blinded readers interpreting the same XTR020 at different time points; and (6) the type, severity, frequency, and outcomes of AEs and SAEs reported throughout the study.

Trial Status. We obtained IND approval from the NMPA for conducting clinical trials of XTR020 for the diagnostic imaging and staging of PSMA-positive lesions in men with suspected recurrence based on elevated serum PSA levels in September 2024, and initiated the trial in March 2025.

Licenses, Rights and Obligations

Starting in August 2023, we entered into a series of agreements (the "**XTR020 Agreements**") with BED to in-license the exclusive patent rights controlled by BED for the development, manufacture, and commercialization of ^{18}F-Flotufolastat, also known as XTR020, as a radiopharmaceutical product for diagnostic imaging and staging of prostate cancer in mainland China. We in-licensed XTR020 while it was in preclinical stage in China. Leveraging the clinical data collected from international clinical trials of ^{18}F-Flotufolastat, as of the Latest Practicable Date, we independently sponsored and were advancing a Phase III clinical trial of XTR020 for the diagnosis of prostate cancer in China.

Material Communications with Competent Authorities

Based on our communications with the NMPA, we has secured IND approval from the NMPA to conduct Phase III clinical trials of XTR020 for the diagnosis of prostate cancer. The trial design incorporates pharmacokinetics and radiation dosimetry studies. Phase II clinical trials are not required to be conducted, as XTR020 is a generic version of Posluma (i.e. ^{18}F-Flotufolastat). We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR020 SUCCESSFULLY.

Other Product Candidates in Development

In addition to our above mentioned clinical-stage product candidates, we are also advancing a pipeline of assets in different development stages:

- **XTR022** is a ^{225}Ac-labeled PSMA-targeted therapeutic radioligand for mCRPC treatment. Designed as a ^{225}Ac-labeled version of XTR021, XTR022 utilize the same targeting ligand as XTR021, with the radionuclide ^{177}Lu replaced by ^{225}Ac. Leveraging the targeting ligand's excellent PSMA-targeting capability, tumor uptake, and retention properties, along with the higher-energy α-particles emitted by ^{225}Ac, XTR022 has the potential to treat prostate cancer patients who have failed treatment with ^{177}Lu-PSMA therapies. Currently, XTR022 is undergoing an IIT in China.

- **XTR016** is a ^{64}Cu-labeled diagnostic radioligand targeting FAP for FAP-positive advanced solid tumors. It shares the same proprietary targeting ligand as XTR017, forming a matched pair of theranostic radiopharmaceuticals. XTR016 serves as a companion diagnostic for XTR017 by facilitating the identification of patients most likely to benefit from XTR017 therapy. In addition, given FAP's high expression in a variety of solid tumors and its pivotal role in the tumor microenvironment, XTR016 also holds clinical value for the diagnosis and staging of a broad spectrum of malignancies. Preclinical studies and data from IITs have shown that XTR016 demonstrates rapid tumor uptake, prolonged retention, high tumor-to-background contrast, a wide imaging window, and excellent image quality, along with a favorable safety profile and strong diagnostic performance. We have obtained IND approval from the NMPA for conducting clinical trials of XTR016.

- **XTR017** is a ^{177}Lu-labeled FAP-targeted therapeutic radioligand for the treatment of FAP-positive advanced solid tumors. As a key component of the tumor microenvironment, FAP is highly expressed in a wide range of solid tumors while showing limited expression in normal tissues, making it a highly promising pan-tumor target for radiotherapy. XTR017 is an innovative radiopharmaceutical independently developed by us with proprietary intellectual property rights. Preclinical studies have demonstrated that XTR017 exhibits superior tumor uptake and retention, as well as significant tumor-killing effects in multiple animal models. XTR017 has received IND approval from the NMPA.

- **XTR025** is a ^{177}Lu-labeled radiotherapeutic drug developed for the treatment of glioblastoma. XTR025 is a potential first-in-class therapeutic radioligand with a novel mechanism of action, independently identified and developed by us. It targets a specific protein that is highly expressed in GBM. Preclinical studies have shown that XTR025 exhibited high affinity for its target and is efficiently internalized by tumor cells, enabling the ^{177}Lu radionuclide it carries to effectively kill tumor cells. It has demonstrated significant tumor-inhibitory effects in multiple animal models. As of the Latest Practicable Date, XTR025 was undergoing an IIT in China.

- **XTR024** is the ^{225}Ac-labeled SSTR-targeted therapeutic radioligand for the treatment of G1 or G2 NETs who have failed treatment with ^{177}Lu-PRRT, G3 NETs, NECs, together with ES-SCLC. XTR024 is a ^{225}Ac-labeled version of XTR008, both of which use DOTATATE as the precursor. In XTR024, the beta-emitting radionuclide ^{177}Lu is replaced with the higher-energy alpha-emitting radionuclide ^{225}Ac. It has the potential to treat various SSTR-positive tumors, including NETs that have progressed following ^{177}Lu-DOTATATE therapy. As of the Latest Practicable Date, XTR024 was undergoing preclinical studies and an IIT in China.

In addition to our oncology product candidates, we are also developing a PET tracer, ^{18}F-FDG injection, a non-pipeline product, for the following diagnostic applications: (1) evaluating abnormalities in glucose metabolism to assess tumor malignancy; (2) assessing myocardial viability in patients with left ventricular dysfunction when used in combination with MPI; and (3) identifying areas of abnormal glucose metabolism associated with epileptic foci. This initiative is intended to support our financial sustainability. As of the Latest Practicable Date, we had submitted an ANDA to the NMPA, which has been accepted.

MARKETED PRODUCTS

- **XTR005**, marketed under the tradename 歐韋寧®, is an Aβ-targeted PET tracer designed to measure Aβ plaque levels in the brains of adult patients via PET imaging, aiding in the assessment of AD and other causes of cognitive decline. As of 2024, China had approximately 49.6 million patients with MCI and 18.1 million with ADOD, representing a significant public health burden. While diagnostic methods for AD continue to advance, early and accurate diagnosis remains a major challenge. Current techniques often fail to detect Aβ pathology effectively, limiting the potential for targeted and timely treatment. To address this unmet need, we entered into an agreement with Life Molecular Imaging Ltd. to in-license exclusive patent rights controlled by it for the development, manufacture, and

commercialization of XTR005 as a diagnostic radioligand for neurodegenerative diseases in mainland China. Bridging clinical trials sponsored and conducted by us in China have demonstrated that XTR005 can qualitatively and quantitatively detect Aβ plaque pathology in Chinese AD patients, with strong efficacy and safety profiles. These results supported its promise for early and accurate AD diagnosis. In September 2023, XTR005 received NDA approval from the NMPA for AD diagnosis. As the first Aβ-targeted PET tracer approved in China, XTR005 is poised to become a valuable tool for patient screening and for evaluating the effectiveness of Aβ-targeted therapies.

- **Adenosine injection**, marketed under the tradename 歐達樂®, is a non-pipeline product approved in China for two indications: (1) as a pharmacologic stress agent used as an adjunct in myocardial perfusion imaging, and (2) for pharmacologic stress echocardiography to aid in the diagnosis of CAD. Adenosine is a purine nucleoside naturally present in all cells, acting as a neuromodulator and playing a critical role in physiological processes such as energy metabolism and neuronal activity. It is a potent vasodilator, primarily exerting its effects through stimulation of A2 receptors on vascular smooth muscle, leading to vasodilation and regulation of blood flow – especially during periods of increased metabolic demand, such as physical exertion or tissue hypoxia. Adenosine is widely recognized as a key agent for pharmacologic stress testing in patients with suspected or known CAD who are unable to undergo traditional exercise stress tests. In China, a prolonged shortage of adenosine had significantly limited the advancement of nuclear cardiology. To address this unmet need, we launched adenosine injection in 2023 following marketing approval from the NMPA in January 2023, to support nuclear stress testing utilizing nuclear imaging, echocardiography, and MRI. As of the Latest Practicable Date, our adenosine injection remained the only stress agent in China approved for two indications, providing a new non-invasive option for assessing myocardial ischemia in patients with CAD.

OUR R&D PLATFORMS

We are dedicated to the research and development of radiopharmaceuticals, encompassing both diagnostic and therapeutic applications, to drive innovation and long-term growth. A key barrier to entry in this field is the highly specialized infrastructure and technical expertise required for R&D and manufacturing. To address this, we have established a central laboratory and two drug discovery centers equipped with state-of-art equipment and instruments as well as GMP-standard manufacturing facilities, positioning us at the forefront of radiopharmaceutical development in China. These facilities are designed to fully support clinical advancement and scalable commercialization. For details on our manufacturing capabilities, see "– Manufacturing." Furthermore, we have cultivated deep expertise, integrating multidisciplinary knowledge across radiopharmaceutical sciences, medicinal chemistry, molecular imaging, radiation physics, radiochemistry, nuclear medicine, and oncology.

Leveraging these advanced infrastructure and proprietary expertise, we have built one of the few independent and fully integrated R&D ecosystems for radiopharmaceutical in China. This ecosystem encompasses a range of specialized technology platforms designed to optimize the entire radiopharmaceutical development process, from compound discovery, radiochemistry optimization, isotope

selection, and preclinical validation, to translational research. Additionally, our theranostics development platform leverages radiopharmaceutical pairs – one radiolabeled molecule for imaging and another for treatment – enabling personalized medicine through precise tumor targeting, real-time disease monitoring, and optimized therapeutic outcomes. By harnessing these technology platforms, we can systematically advance radiopharmaceutical candidates with the highest potential to deliver precision-targeted, clinically effective, and commercially scalable diagnostics and treatments for oncology and beyond.

Our technology platforms are summarized as follows:

Categories	Platforms
Radiopharmaceutical Discovery	Precursor Design and Optimization Platform
	Therapeutical Radioligand Screening Platform
Radiopharmaceutical Development	Medical Radioisotope Development Platform
	Radiochemistry Labeling Technology Platform
	Precursor Development Technology Platform
	Radiopharmaceutical Kit Development Technology Platform
	Quality Control and Analytical Technology Platform
	Imaging Platform – Preclinical Stage
Radiopharmaceutical Clinical Research	Pharmacology Analysis Platform
	Radiation Dosimetry Platform
	Imaging Platform – Clinical Stage
	Translational Medicine Platform
Theranostics	Theranostics Development Platform

Source: Company data

Our strong technical expertise in radiopharmaceutical R&D, spanning laboratory infrastructure, specialized technologies, and clinical development, has been widely recognized across the industry. For example, we collaborate with the INPC on multiple research projects. Furthermore, we actively contributed to the development of the Technical Guidelines for Clinical Evaluation of Radiotherapeutic Drugs.

Radiopharmaceutical Discovery

Radiopharmaceuticals utilize targeting ligands, such as antibodies, peptides, carbohydrate, or small molecules, to precisely deliver radionuclides to target tissues or organs. A key requirement for optimizing these agents is achieving a higher target-to-background ratio, which refers to the contrast between the radiotracer signal in diseased tissue (target) versus surrounding healthy tissue (background). This is critical for enhancing diagnostic clarity and/or minimizing off-target radiation exposure during therapy.

Precursor Design and Optimization Platform

Our precursor design and optimization platform is driven by clinical benefit-risk considerations, identifying key optimization parameters essential for radiopharmaceutical development, including pharmacokinetics, physicochemical properties, and tissue distribution profiles. By integrating these parameters into compound design and optimization, we enhance druggability and improve clinical translation of our selected candidates.

Furthermore, the linker connecting the targeting ligand and radionuclide within precursor compounds plays a pivotal role in drug efficacy. Through years of dedicated research, we have established a robust correlation between molecular structure and druggability parameters, providing us with a strong technical advantage in the rational design and optimization of radiopharmaceutical precursors.

Utilizing this platform, we have successfully optimized multiple preclinical candidate compounds within a short timeframe, achieving best-in-class performance benchmarks. This further validates the platform's effectiveness and significance in radiopharmaceutical innovation.

Therapeutical Radioligand Screening Platform

Building on our extensive experience in radiopharmaceutical development, we have strategically established a systematic screening and evaluation platform for innovative radioligand therapy ("**RLT**") discovery. This platform encompasses the identification and optimization of targeting ligands and linkers, *in vitro* activity screening, radiolabeling, and *in vivo* efficacy validation.

Additionally, we leverage the unique advantages of RLTs, such as real-time imaging capability and direct quantification of drug distribution in tissues, to refine our evaluation criteria for candidate molecules. Key assessment parameters include tumor uptake percentage (injected dose%/g) and biodistribution thresholds for organs like bone marrow, kidneys, and liver. By integrating these standards into our screening workflow, we enhance clinical translation efficiency and significantly improve the success rate of both drug discovery and subsequent development.

Radiopharmaceutical Development

Given the unique nature of radiopharmaceuticals and the highly inter-disciplinary approach required for their development, we have established specialized technology platforms across all key stages of radiopharmaceutical R&D. These platforms ensure the quality and efficiency of radiopharmaceutical development, particularly for innovative radiopharmaceuticals.

Medical Radioisotope Development Platform

Medical radioisotopes are essential raw materials for radiopharmaceutical R&D. However, their typically short half-lives and underdeveloped supply chains necessitate that innovative radiopharmaceutical companies establish in-house capabilities for isotope development and even production. The development and regulatory approval process for medical radioisotopes is highly specialized, requiring various

nuclear reaction devices as well as radiochemical separation and purification techniques. Consequently, successful development demands a multidisciplinary team, including professionals in nuclear physics and radiochemistry, alongside regulatory specialists experienced in drug development and registration. Furthermore, radioisotope research and development must be conducted in facilities equipped with radiation safety licenses and isotope production capabilities.

Even with the necessary expertise, infrastructure, and regulatory compliance, medical radioisotope development presents several key challenges, including:

1. Producing target materials with high isotopic abundance and chemical purity.

2. Optimizing target structure design to maximize isotope yield.

3. Refining irradiation conditions to ensure high radionuclidic purity and isotope production efficiency.

4. Enhancing isotope separation and purification processes to achieve high nuclear and chemical purity for medical applications.

5. Implementing rigorous process control and system optimization to maintain consistent isotope quality.

As a result, radiopharmaceutical development-focused biopharmaceutical companies with in-house isotope development capabilities can gain a significant competitive advantage by ensuring a reliable supply of high-quality, pharmaceutical-grade medical radioisotopes.

We have secured Radiation Safety Licenses in Guangdong, Jiangsu, and Sichuan, authorizing us to conduct various radioisotope research and development activities. Additionally, we have established accelerators in Guangdong and Jiangsu Provinces, capable of isolating, purifying, and/or producing various radioisotopes, such as ^{18}F, ^{64}Cu, and ^{89}Zr. These facilities will support the production of related radioligands, covering East and South China. For a complete list of our radiation safety licenses for radiopharmaceutical development, see "– Licenses, Permits, and Approvals."

Currently, our self-manufactured GMP-grade liquid target positron-emitting isotope ^{18}F supports multiple radioligands in clinical research, with XTR005 already approved for marketing. Our GMP-grade radioisotope ^{64}Cu, produced through solid target, has been used in the production of XTR015 for clinical trial purposes. We also plan to establish a pilot-scale production facility at our Sichuan manufacturing site for the separation and extraction of natural ^{232}Th into ^{228}Ra, ^{228}Th, and ^{224}Ra, and aim to achieve small-scale production of ^{212}Pb using generator-based processes. This can support the early development of novel ^{212}Pb-labeled alpha radiopharmaceuticals.

These capabilities form the foundation of our medical radioisotope development platform, enabling us to conduct comprehensive isotope process and quality study to produce high-purity medical radioisotopes while ensuring seamless regulatory integration. Building on this platform, we are well-equipped to drive the continuous development of novel medical radioisotopes, establishing a robust foundation for future pipeline expansion.

Radiochemistry Labeling Technology Platform

Currently, the commonly used radiochemical labeling techniques can be categorized into two main types: nucleophilic substitution labeling and chelation-based labeling. The key to nucleophilic substitution labeling lies in maximizing reaction yield while carefully considering post-reaction purification, minimizing residual organic solvents, and ensuring formulation homogeneity and stability during formulation. Additionally, factors such as reaction efficiency, synthesis time, and their impact on overall yield must be thoroughly evaluated.

Chelation-based labeling is one of the commonly used methods in radiopharmaceuticals and is suitable for labeling medium-to high-energy radionuclides, which typically emit significant radiation doses. However, ionizing radiation can cause radiolysis of labeled compounds, making it highly challenging to ensure product stability at high radioactive concentrations. Therefore, for radiopharmaceuticals prepared using chelation-based labeling, formulation screening is necessary to address stability challenges in high-radiation environments. For both labeling methods, optimizing the labeling process parameters is essential to achieve acceptable labeling efficiency. In addition, strict selection and optimization of raw materials, excipients, packaging materials, and process systems are required to ensure consistent product quality. Our radiochemical labeling technology platform enables the optimization and selection of various radical scavengers and buffer systems, ensuring that the final product remains stable and meets quality control requirements even at high levels of radioactivity.

Due to their radioactive nature, radiopharmaceuticals require automated synthesis modules and must be manufactured at scale within shielded hot cells for radiation protection. During development, customized automation programs must be designed for each product's labeling process, along with tailored production lines for commercial-scale manufacturing. Developing automated synthesis programs demands in-depth knowledge of reaction characteristics, functionality of infrastructure, and software programming. A complete production program may consist of hundreds of command steps. Through extensive practical production experience, we have overcome challenges related to hardware, software, and process, establishing a process development framework that allows for seamless product-specific adjustments. Building upon this framework, our radiochemistry labeling technology platform enables efficient programming of labeling processes across various brands of automated synthesis modules, facilitating the development of diverse radioligands and significantly accelerating radiopharmaceutical research and production.

Precursor Development Technology Platform

The precursor of a radiopharmaceutical is fundamental to its targeting capability, as its chemical and biological properties dictate the drug's biodistribution in the body. Consequently, the precursor plays a critical role in ensuring the quality, safety, and efficacy of radiopharmaceuticals. In China, the absence of established technical guidelines or regulatory requirements for precursor-related pharmaceutical research underscores the importance of a well-defined internal CMC strategy. This strategy must not only align with regulatory expectations but also strike a balance to prevent unnecessary research efforts that could hinder development timelines.

We have gained extensive expertise in developing small-molecule chemical precursors, carbohydrate-based precursors, and peptide-based precursors, formulating comprehensive research strategies for labeling these precursors with various radionuclides. Carbohydrate-and peptide-based precursors are relatively novel in the field of radiopharmaceuticals. Carbohydrate synthesis, in particular, presents significant challenges due to the inherent instability of these compounds during synthesis. Factors such as temperature, pH, and reaction conditions can lead to ring degradation, oxidation, dehydration, or conformational inversion, necessitating stringent control over reaction parameters. Additionally, carbohydrates exhibit unique solubility properties, being highly soluble in water but insoluble in organic solvents. Therefore, when salts are present in the reaction mixture, unconventional purification techniques, such as osmotic membranes, may be required.

The primary challenge in peptide precursor production lies in impurity control, as separating impurities is difficult. These impurities typically include deletion peptides, mismatched peptides, polymers, and chiral peptides, as well as elemental impurities. Currently, preparative liquid chromatography and specialized detection methods are employed to identify and remove these impurities, ensuring that the precursors meet quality standards.

Radiopharmaceutical Kit Development Technology Platform

Due to the inherent decay characteristics of radiopharmaceuticals, their shelf life is relatively short, requiring production at multiple manufacturing sites across the country. To ensure consistent product quality and streamline production across these sites, we have standardized the precursor, reagents, excipients, and solvents used in each batch by integrating them into pre-packaged kits. This approach guarantees uniformity in material quantity and quality across all manufacturing sites, facilitating efficient distribution and production.

These kits are inherently complex, typically containing 5 to 8 vials, with each vial comprising 1 to 5 components. As a result, their development is akin to formulating multiple multi-component drug products simultaneously. The kits must not only be manufactured under GMP conditions to ensure quality stability but also be specifically tailored for radiopharmaceutical production. Successfully developing such kits requires expertise in both conventional pharmaceutical formulation and radiopharmaceutical R&D.

The pre-packaging of materials into standardized kits is a distinctive feature of radiopharmaceutical manufacturing and a widely adopted practice in international radiopharmaceutical production. However, due to the relatively slow development of radiopharmaceuticals in China, the advancement of ready-to-manufacture kits has lagged behind. We have now established a robust research and quality control strategy for kit development. The kits for XTR003, XTR004, and XTR006 have successfully completed process validation under GMP conditions, demonstrating stable manufacturing processes and stringent quality control. As our pipeline products continue to advance toward commercialization, the production of these kits will help bridge the gap in this field domestically.

Quality Control and Analytical Technology Platform

Routine quality control ("**QC**") release testing for conventional pharmaceuticals typically takes about a week (excluding sterility testing). However, commercial radiopharmaceuticals have a significantly shorter shelf life, sometimes only a few hours. To ensure that release testing is completed before clinical administration, it is essential to develop rapid and efficient QC methods while also minimizing radiation exposure to personnel and reducing environmental impact.

Building on years of experience in radiopharmaceutical quality control, we have established a quality control and analytical technology platform with specialized QC systems tailored to different classes of radiopharmaceuticals, including small molecules, peptides, and antibodies.

Chemical purity testing is critical for detecting non-radioactive impurities originating from precursors, excipients, and their interactions. Given the extremely low precursor concentrations in injectable formulations, highly sensitive analytical methods are required. Radiochemical purity is commonly assessed using high-performance liquid chromatography ("**HPLC**") and instant thin-layer chromatography ("**ITLC**"). However, these methods can have limitations in sensitivity and specificity, potentially leaving certain impurities undetected.

To address this challenge, we have developed targeted QC strategies and control standards specific to different radionuclide-based products. These include measures to detect and regulate elemental impurities, preventing unwanted elements from competing with the intended radioisotope for chelation, which could otherwise compromise labeling efficiency. HPLC is employed to monitor small-molecule radiochemical impurities, while ITLC effectively detects colloidal radioactive impurities. The complementary use of these methods enhances overall QC stringency.

All analytical methods developed for radiopharmaceutical testing have undergone thorough validation, demonstrating high specificity, sensitivity, accuracy, and robustness. For diagnostic radiopharmaceuticals, release testing is completed before patient administration, while for therapeutic radiopharmaceuticals, testing is finalized within 24 hours. Our QC standards align with the rigorous regulatory requirements of the U.S. and Europe. Furthermore, our development of tailored QC systems for different radiopharmaceuticals has been safeguarded through multiple patents.

Radiopharmaceutical Clinical Research

Radiopharmaceutical is characterized by its ability to be noninvasively visualized and quantified. Due to its unique emission property from radioactive decay, pharmacokinetic assessment of these agents differ fundamentally from those of conventional drugs. To address these challenges, we have established multiple dedicated radiopharmaceutical clinical research platforms, providing robust technical support for the clinical development of innovative radiopharmaceutical therapies.

Pharmacology Analysis Platform

The study design and execution of radiopharmaceuticals require careful consideration of their unique characteristics – including radiation exposure, low mass doses, and extended dosing intervals for therapeutic agents – while also adhering to the general principles of clinical pharmacology research for conventional drugs. By establishing a specialized pharmacology analysis platform for radiopharmaceuticals, we systematically characterize human target engagement, pharmacokinetic-pharmacodynamic relationships, and radiation-associated toxicity thresholds, thereby accelerating translational pipelines with improved risk mitigation.

Our platform comprises two key systems:

- *Pharmacokinetics ("**PK**") Evaluation System*. This system quantifies the absorption, distribution, and elimination of radiopharmaceuticals by analyzing radioactivity in blood and urine samples collected during clinical studies. It also evaluates stability of radiopharmaceuticals *in vivo* by examining radiolabeled metabolites, characterizing radioactive ligands in blood, determining urinary recovery rates of parent compounds and their metabolites, and identifying metabolite species.

- *Pharmacodynamics ("**PD**") System for Therapeutic Radiopharmaceuticals*. This system investigates mechanisms of action, dose-exposure-response relationships, and influencing factors. Using non-invasive imaging techniques, it quantitatively analyzes the distribution and kinetics of radioactivity across different organs and tissues. Compared to traditional blood exposure-response models, imaging-based quantification enables direct assessment of dose-response relationships. By evaluating dose-limiting organs, this approach enables early prediction of dose-limiting toxicity ("**DLT**") and maximum tolerated dose ("**MTD**"). It also facilitates early-stage identification of long-term radiation-induced adverse events, which, when combined with short-term safety data from early clinical studies, contributes to a more comprehensive risk assessment, thereby enhancing radiopharmaceutical development efficiency.

Our platform offers end-to-end expertise in conducting pharmacokinetic (PK) studies of radiopharmaceuticals across both preclinical and clinical development stages. Our team specializes in internal radiation dosimetry and radiolabeled metabolite profiling. Additionally, we employ integrated PET/SPECT/CT imaging systems for preclinical studies, enabling multimodal *in vivo* imaging. These systems support dynamic biodistribution analyses in animal models through real-time pharmacokinetic imaging, thereby bridging mechanistic insights with translational outcomes. This capability provides actionable data to inform lead optimization, clinical trial design, and regulatory strategy.

Radiation Dosimetry Platform

Radiation dosimetry serves as a critical component of radiopharmaceutical development, directly informing therapeutic efficacy and safety profiles. Despite the growing interest in therapeutic radiopharmaceuticals in China, the field remains nascent, with a scarcity of specialized expertise in clinical radiopharmaceutical dosimetry. As a pioneer in this domain, we leverage proprietary dosimetry methodologies and a dedicated research platform, solidifying our leadership in bridging preclinical discoveries to clinical applications.

Our platform systematically evaluates the efficacy and safety of radiopharmaceuticals by analyzing their radioactive activity across different organs at multiple time points, providing a robust scientific foundation for dose selection. It operates across both preclinical and clinical stages:

- *Preclinical Radiation Dosimetry*. Conducted in animal models, this research estimates human radiation absorption doses, providing critical support for determining the first-in-human (FIH) dose in Phase I clinical trials.

- *Clinical Radiation Dosimetry*. Performed across different dose groups in human subjects, this research informs the selection of optimal clinical doses.

Utilizing this platform, we apply specialized analytical approaches based on the type of radiation emitted by the radionuclide:

- *Positron-Based Radiation Dosimetry*. Designed for radiopharmaceuticals incorporating ^{18}F, ^{68}Ga, and ^{64}Cu, which require PET imaging for precise analysis.

- *Single-Photon-Based Radiation Dosimetry*. Applied to radiopharmaceuticals with gamma-emitting radionuclides or other radionuclides that simultaneously emit gamma rays such as ^{177}Lu, ^{131}I, and others, requiring SPECT imaging for assessment.

By employing these methodologies, we accurately determine absorbed radiation doses in critical organs, providing essential insights for optimizing radiopharmaceutical development and clinical application.

Imaging Platform

To advance clinical trials for innovative diagnostic radiopharmaceuticals and support imaging-based evaluations of therapeutic radiopharmaceuticals, we have established a comprehensive medical imaging platform. Designed in full compliance with Good Clinical Practice ("**GCP**") standards, this platform features robust image data management and QC processes to ensure accuracy and reliability.

Key Capabilities of the Platform:

- *Blinded Independent Image Review*. Enables objective, blinded assessments of diagnostic radiopharmaceutical imaging.

- *Therapeutic Radiopharmaceutical Imaging Assessment*. Facilitates precise imaging-based evaluations of treatment efficacy.

- *Seamless Integration with External Imaging Software*. Optimizes the processing, transmission, and management of complex imaging data for clinical trials.

- *Multi-Center Clinical Trial Support*. Provides dedicated user accounts and clearly defined roles for study personnel, ensuring efficient and high-quality execution of medical imaging tasks across multiple trial sites.

By leveraging this advanced imaging platform, we enhance the accuracy, efficiency, and consistency of imaging-based analyses, ultimately accelerating the clinical development of radiopharmaceuticals and potentially improving the success rate.

Translational Medicine Platform

Radiopharmaceuticals exert their pharmacological effects through two primary components: the precursor – used in microgram quantities with minimal safety concerns – and the radioisotope, which provides diagnostic or therapeutic functionality. Due to this unique mechanism of action, early-stage clinical development of radiopharmaceuticals, both in China and internationally, is largely driven by IITs conducted by qualified medical institutions.

To ensure the standardized preparation and clinical use of radiopharmaceuticals, the Regulations on Preparation of Positron Radiopharmaceuticals by Medical Institutions, jointly issued by the NMPA and the National Health Commission of the PRC, outline the operational scope associated with different categories of Nuclear Medicine Usage Certificate. Institutions holding the highest-level Category IV Certificate are authorized to ethically review and rapidly implement novel radiopharmaceutical IITs, thereby generating essential human data to refine precision diagnostics and therapeutic strategies while safeguarding patient safety.

Leveraging this regulatory framework, we have established a translational medicine platform for radiopharmaceuticals with the following key strengths:

- Multidisciplinary teams with deep expertise across medical imaging, nuclear medicine, and oncology;
- Proven capabilities in IIT design and execution;
- Strategic partnerships with Category IV-certified nuclear medicine departments at top-tier hospitals in China; and
- Proprietary research toolkits, including the theranostic development platform and a radiation dosimetry platform.

This model enables the accelerated translation of PCCs into clinical validation through IITs, effectively reducing the risk of failure due to interspecies differences. Human data generated from these studies also supports IND submissions and informs clinical protocol refinement.

Theranostics Development Platform

The theranostic development platform integrates the development of diagnostic and therapeutic radioligands, achieving a seamless diagnosis-therapy continuum. Diagnostic radioligands are used for patient selection by utilizing a diagnostic agent to identify cells expressing specific targets through imaging. Following target confirmation, a therapeutic radioligand with an identical or structurally analogous ligand (sharing target-binding domains) is systemically administered to selectively deliver radiation to diseased cells.

We possess extensive expertise in radiochemistry, chemical analysis, and nuclear medicine, with specialized capabilities in developing radiopharmaceuticals through diverse radionuclides and radiolabeling techniques. By establishing a continuous R&D cycle, we have refined a core radiolabeling platform that enables whole-body imaging quantification of patient-specific tumor biomarkers. This provides a more comprehensive approach to disease screening, diagnosis, and staging. Furthermore, it enhances patient selection for therapeutic radioligands, addressing limitations of traditional biomarker detection methods such as immunohistochemistry ("**IHC**") and genetic testing, which may be affected by tumor heterogeneity and limited sensitivity. In the development of theranostic radiopharmaceuticals, we can share preclinical research data from the precursor component across treatment and diagnostic agents. By labeling the same precursor with different therapeutic and diagnostic radionuclides, dual IND applications for both drugs can be achieved, significantly reducing development costs and timelines.

Examples in Practice

We are advancing development of multiple therapeutic pairings, including XTR008/XTR015 and XTR017/XTR016. Specifically, XTR015 is used to identify NET patients expressing SSTRs, followed by the administration of XTR008 for targeted therapy. XTR016 is used to identify cancer patients expressing FAP, followed by the administration of XTR017 for targeted therapy.

COLLABORATION ARRANGEMENTS

XTR008 Agreements

Starting in July 2019, we entered into a series of agreements (the "**XTR008 Collaboration Agreements**") with the INPC to co-develop XTR008, i.e. ^{177}Lu-DOTATATE injection. INPC is an Independent Third Party. We became acquainted with INPC due to our shared goal of exploring the application of radionuclides in the pharmaceutical field.

The salient terms of the XTR008 Collaboration Agreements are summarized below:

Allocation of Responsibilities	• We are obligated to research, develop, manufacture and supply dotatate, assist INPC in preparing site facilities and conditions, developing drug processes, conducting quality testing in accordance with NMPA review requirements, preparing IND application materials, and conducting clinical trials. We are also responsible for the sales and marketing of XTR008 in China.
	• INPC is responsible for the preparation of ^{177}Lu and performing the aseptic filling process. INPC also guarantees that it does not provide ^{177}Lu to another party for the production of ^{177}Lu-DOTATATE, and use research methods, processes, or results that infringe upon the intellectual property rights of any third party.
	• Each party shall bear the costs incurred due to their respective research and development obligations.
	• Upon obtaining marketing approval, we will be the MAH of XTR008. INPC shall assist us in submitting the relevant documents.
Payments	• After obtaining marketing approval for XTR008, we will pay INPC a royalty in the low-teen percentage of sales revenue for its intellectual property contribution, and a low-teen percentage of sales revenue for its manufacturing contribution. However, if the fair value price of ^{177}Lu exceeds the agreed price by 16%, we will, in addition to the two low-teen royalties, pay an agreed adjustment reflecting the increase in the fair value of ^{177}Lu.
Intellectual Property Arrangements	• The intellectual property rights arising from the XTR008 Collaboration Agreements shall be co-owned by both parties.

Term and Termination	• The XTR008 Collaboration Agreements shall remain in effect for 20 years, unless terminated earlier. • Either party may terminate the XTR008 Collaboration Agreements in the event of an uncured material breach by the other party, or if the other party independently develops or collaborates with a third party to develop a ^{177}Lu-DOTATATE injection.

XTR006 Agreement

On July 31, 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in mainland China. On April 30, 2025, we entered into a memorandum of understanding with Cerveau regarding the arrangement of the joint steering committee established under the XTR006 Agreement. At the time we in-licensed MK-6240, it was still in preclinical studies. Cerveau was an Independent Third Party as of the Latest Practicable Date. For the relationship between Cerveau and us, see "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals." The acquisition did not affect the terms of the XTR006 Agreement.

The key terms of the XTR006 Agreement are summarized below:

License Granted	• Cerveau has in-licensed certain field-based rights from Merck Sharp & Dohme Corp. to develop, manufacture, and use MK-6240 as a radiopharmaceutical imaging agent. Pursuant to the XTR006 Agreement, we have in-licensed from Cerveau the exclusive, revocable, non-transferable, and non-sublicensable (except to our affiliates) right and license under its licensed rights to develop, manufacture, and commercialize MK-6240 in mainland China.
Allocation of Responsibilities	• We shall use commercially reasonable efforts to develop MK-6240 in mainland China according to an agreed clinical development plan. Proposed amendments to the plan shall be submitted to the joint steering committee for approval. We shall sponsor and conduct clinical studies to support the pursuit and maintenance of regulatory approval for MK-6240 in mainland China. Additionally, we shall be solely responsible for manufacturing and commercializing MK-6240 in compliance with the relevant rules and regulations in China.

- Cerveau shall assist us in designing such clinical studies, support us in establishing the manufacturing of MK-6240 at a designated facility, and provide technical assistance throughout the term of the XTR006 Agreement for the manufacturing of MK-6240 in mainland China.

Joint Steering Committee

- The joint steering committee shall oversee and coordinate communication regarding our performance under the XTR006 Agreement for the development, manufacturing, and commercialization of MK-6240 as a radiopharmaceutical imaging agent in mainland China.

- Cerveau and we shall each appoint three representatives to the joint steering committee. The three representatives from each side shall collectively cast one vote on behalf of their respective party. Decisions shall be made by consensus.

- If the committee is unable to reach a decision on a matter within its scope of authority, we shall have the right to make the final decision regarding the development, manufacture, and commercialization of XTR006 in mainland China, provided that Cerveau retains final decision-making authority over intellectual property relating to MK-6240 and intellectual property relating to the manufacturing of MK-6240.

Payments

- We are obligated to pay an upfront payment and milestone payments. To the extent some of the milestone events have not been achieved, our previous loan to Cerveau has fully covered all upfront and milestone payments, totaling US$2.0 million.

- In addition, beginning with the first commercial sale of MK-6240, we shall pay two-tiered royalties to Cerveau on net sales, ranging from the low teens to the high teens.

Intellectual Property Arrangements

- All rights to product improvements related to MK-6240, including its manufacture and use, shall be solely owned by Cerveau. However, each improvement will automatically be considered a licensed patent or licensed know-how and will be included within the license granted under the XTR006 Agreement without additional consideration.

- All rights to non-product improvements related to MK-6240 shall be determined based on inventorship. However, each party shall grant the other an exclusive license to use its improvements.

Term and Termination

- The XTR006 Agreement shall remain in full force and effect unless terminated earlier or until (i) the expiration of the last patent licensed under the XTR006 Agreement or (ii) the approval of the first generic product, whichever is earlier.

- Either party may terminate the XTR006 Agreement in the event of the other party's uncured material breach or insolvency.

XTR004 Assignment Agreements

We initially in-licensed the exclusive global rights controlled by one individual and Beijing Normal University ("**XTR004 Assignors**") to research, develop, manufacture, and commercialize MyoZone[^{18}F] injection in 2017, while the product was in preclinical stage. Starting in February 2021, we entered into a series of agreements (the "**XTR004 Assignment Agreements**") with XTR004 Assignors to acquire the exclusive global patent rights controlled by the XTR004 Assignors to research, develop, manufacture, and commercialize MyoZone[^{18}F] injection, which corresponds to XTR004. The XTR004 Assignors are independent third parties. We became acquainted with them due to our shared goal of researching and developing radiopharmaceuticals.

The key terms of the XTR004 Assignment Agreements are summarized below:

Rights Transferred

- Pursuant to the XTR004 Assignment Agreements, we acquired the exclusive global patent rights controlled by the XTR004 Assignors related to the compound, preparation process and use of MyoZone[^{18}F] injection.

Allocation of Responsibilities

- We are obligated to pay the annual patent maintenance fee.

- The XTR004 Assignors are obligated to provide the research results of preclinical studies and assist in the preparation of the IND application.

Payments	• We are obligated to pay milestone payments with an aggregate amount of RMB8 million in installments. As of the Latest Practicable Date, we have fully paid the first two milestone payments to the XTR004 Assignors, with the remaining milestone payments to be made in two installments: (1) within five business days after we submit the manufacturing application of MyoZone[^{18}F] injection to the NMPA, and (2) within five business days after we obtain the manufacturing approval of the product from the NMPA.
	• In addition, we have agreed to pay a high-single-digit royalty based on the annual sales revenue of MyoZone[^{18}F] injection upon receiving its marketing approval. The total royalty payment from us shall not exceed RMB32 million.
	• If the patent rights become subject to restrictions not attributable to us, we have the right to cease future payments. In the event of patent infringement disputes or other patent-related disputes that result in MyoZone[^{18}F] injection losing patent protection, which was not attributable to us, we have the right to cease future payments and reclaim previously transferred payments, as well as an agreed-upon liquidated damages payment.
Intellectual Property Arrangements	• Pursuant to the XTR004 Assignment Agreements, we have the exclusive rights to research and modify technologies covered by the patent rights controlled by the XTR004 Assignors related to the preparation process of MyoZone[^{18}F] injection. Any resulting intellectual property rights shall be solely owned by us.
Term and Termination	• The XTR004 Assignment Agreements shall remain in effect unless terminated earlier by mutual agreement of the parties or due to an unmitigable force majeure event lasting more than six months.

Out-licensing Agreements with Duality

Starting in November 2021, we entered into a series of agreements with Duality Biotherapeutics, Inc. ("**Duality**") to out-license (i) certain patents and know-how owned or controlled by us relating to our in-house developed HER3 mAb ("**HER3 MAb Licensed IP**") (the "**Duality MAb Agreement**"), and (ii) certain patents and know-how owned or controlled by us relating to our in-house developed HER3 bispecific and multi-specific antibodies (together with the "**HER3 MAb Licensed IP**," the "**HER3 Antibody Licensed IP**") (the "**Duality BsAb and MsAb Agreement**" and, together with the Duality MAb Agreement, the "**Duality Agreements**").

The salient terms of the Duality Agreements are summarized below:

Rights Out-licensed	• Pursuant to the Duality Agreements, we granted Duality an exclusive (even to us), royalty-bearing, irrevocable and sublicensable license to use the HER3 Antibody Licensed IP to develop, manufacture, commercialize and otherwise exploit ADC compounds (the "**HER3 ADC Compounds**") and pharmaceutical products containing any HER3 ADC Compound in any form, formulation or dosage form (the "**HER3 ADC Products**" which, for clarity, comprise HER3-monospecific, bispecific and multi-specific ADC products) globally in all uses. • For the avoidance of doubt, we reserve the rights to develop, manufacture, commercialize, and otherwise exploit radiopharmaceuticals containing HER3 Antibody Licensed IP, in any form, formulation, or dosage, for all uses globally.
Allocation of Responsibilities	• Duality shall bear all development and commercialization-related expenses for the HER3 ADC Products and are responsible for the preparation and submission of the requisite regulatory filings, to the extent such activities are within the scope of the granted licenses. • We shall use commercially reasonable efforts to provide necessary assistance in the process.

Joint Steering Committee

- The joint steering committee established by Duality and us is composed of three representatives from each of Duality and us, to discuss the overall coordination and oversight of the activities under the Duality Agreements. The joint steering committee will endeavor to make decisions by consensus. If consensus is not reached, senior executives from both parties shall engage in consultation and decision-making. If consensus still cannot be reached through good-faith negotiation, Duality shall have the final decision-making authority with respect to the R&D, clinical studies, manufacturing, and commercialization of HER3 ADC Compounds and HER3 ADC Products developed pursuant to the Duality Agreements. Both parties have the right to be informed of the final decisions regarding any disagreements.

Payments

- Pursuant to the Duality MAb Agreement, we have received an upfront payment of US$1.25 million, and are entitled to receive milestone payments for each HER3 ADC Product (i) up to US$9.0 million upon the achievement of specified development and regulatory milestones, and (ii) up to US$110.5 million upon the achievement of sales-based milestones.

- Pursuant to the Duality BsAb and MsAb Agreement, we have received an upfront payment of US$1.0 million, and are entitled to receive milestone payments for each HER3 ADC Product (i) up to US$5.86 million upon the achievement of specified development and regulatory milestones, and (ii) up to US$71.83 million upon the achievement of sales-based milestones. As of the Latest Practicable Date, we had received a total of US$0.5 million in milestone payments.

- In addition, upon commercialization, we are eligible to receive royalties at a percentage not exceeding 1% on the annual net sales of each HER3 ADC Product on a region-by-region basis. The royalties shall be payable for a period from the first commercial sale of HER3 ADC Product in such region until the later of (i) ten years commencing upon the first commercial sale of such HER3 ADC Product in such region, and (ii) the loss of valid patent protection of intellectual property covering the HER3 ADC Compound or HER3 ADC Product in such region.

Intellectual Property Arrangements	• Duality shall be the sole owner of all intellectual property rights independently developed by it in relation to (i) the HER3 ADC Compounds and HER3 ADC Products, and (ii) its ADC technology platforms, including improvements to the HER3 ADC Compounds, HER3 ADC Products, and the HER3 antibodies performed under these agreements. • We retain ownership of the intellectual property rights independently developed by us outside the scope of the granted licenses. • Any improvements jointly made by both parties in relation to the HER3 ADC Compounds, HER3 ADC Products, and the HER3 antibodies licensed to Duality will be jointly owned by the parties.
Term and Termination	• The Duality Agreements will remain in effect until terminated in accordance therewith. • Each of the Duality Agreements may generally be terminated earlier: (i) by mutual consent, (ii) if we are in uncured material breach, Duality is entitled to either terminate the agreements or elect to retain the licenses granted by continuing to perform its contractual obligations, (iii) if Duality is in uncured material breach, we shall have the right to terminate the agreements or convert the exclusive license to a non-exclusive license, (iv) if either party enters into liquidation, dissolution, bankruptcy, winding-up or similar insolvency proceedings, or (v) if Duality is in material default of its payment obligations.

RESEARCH AND DEVELOPMENT

We consistently devote resources to research and development to pave the way for long-term growth. We believe that the diversification and expansion of our product pipeline through the "dual-wheel" strategy – leveraging both in-house research and development and external collaborations – have greatly contributed to our past competitiveness and success and will continue to reinforce our established first-mover advantages. Our research and development expenses in 2023 and 2024 amounted to RMB297.0 million and RMB228.0 million, respectively. Our research and development costs attributable to our Core Products were RMB152.9 million and RMB96.6 million in 2023 and 2024, respectively, accounting for 51.4% and 42.3% of our total research and development expenses, and 38.7% and 26.9% of our total operating expenses (i.e. research and development expenses, selling and distribution expenses and administrative expenses) in the respective period.

R&D Team

The development of radiopharmaceuticals requires highly specialized expertise and qualifications. It demands extensive inter-disciplinary experience across fields such as radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. Additionally, proficiency in handling radioactive materials and operating large-scale equipment is essential. We have assembled a professional team with the necessary expertise to meet these requirements. As of the Latest Practicable Date, we have established a dedicated in-house R&D team of 196 members. The functions of our R&D team span the entire spectrum of druggability evaluation, preclinical research, clinical study and regulatory affairs. All our core R&D team members have been with us throughout the Track Record Period and up to the Latest Practicable Date.

Core members of our R&D team include Mr. WANG Peng, Dr. JIN Yun, Ms. LIU Shuang and Dr. YANG Guogui. Mr. Wang, our co-chief executive officer mainly responsible for the overall management of our R&D projects, worked at CDE for 12 years, possessing an in-depth understanding of regulations and guidelines pertaining to drug development and evaluation. Mr. Wang obtained his master's degree in pharmaceutics from Peking Union Medical College. Dr. Jin, our vice general manager mainly responsible for the early discovery of our product candidates, has extensive experience in innovative drug discovery and development. Dr. Jin worked in prominent pharmaceutical companies such as GlaxoSmithKline (Shanghai) R&D Co., Ltd. (葛蘭素史克(上海)醫藥研發有限公司) and Shanghai ChemPartner Biotechnology Co., Ltd. (上海賽默羅生物科技有限公司). Dr. Jin obtained his doctor's degree in organic chemistry from Chinese Academy of Sciences, Shanghai Institute of Organic Chemistry. Ms. Liu, our vice general manager mainly responsible for the clinical development of our product candidates, has accumulated nearly 30 years of experience in the pharmaceutical industry. Ms. Liu completed bachelor top-up studies (part-time) in pharmacy and graduated from Peking University Health Science Center. Dr. Yang, our vice president mainly responsible for development of radiochemical processes, has 17 years of experience in development of radiopharmaceuticals. Dr. Yang obtained his doctor's degree in radioisotopes and application technologies from the China Academy of Atomic Energy Sciences.

Research and Development Process

Before commencing a research and development project, we perform thorough market analysis to determine whether the product candidate has unmet medical needs, is commercially viable, is expected to be able to achieve widespread acceptance in the marketplace, and for a generic drug candidate, whether the market for the drug will have high barriers to entry and the drug will be the first generic version on the market. We carefully select research and development projects by balancing the unmet medical needs and commercial potential (including potential competition and market size) of the drug and its likelihood of successful development.

Our pharmaceutical product development process typically involves the following milestone stages and the actual timing of each stage could vary significantly depending on the subject and nature of the project and the resources committed to the project:

Development stage	Description
Pre-clinical	• Discovery of lead molecules through evaluation under screening platform, biological studies and pharmacokinetics studies • Optimization of lead molecules via pharmacology studies, pharmacokinetics studies and safety assessments • Development of formulation strategies and manufacturing processes and identification of clinical trial samples • Characterization of clinical trial samples, identification of critical quality attributes and performance of stability studies
IND application	• Application for pre-IND communication • Submission of IND application
Phase I clinical trials	• Manufacturing of clinical trial samples • Human pharmacokinetics and drug tolerance evaluation trials
Phase II clinical trials	• Manufacturing of clinical trial samples • Preliminary exploration on the efficacy • Dosage finding for phase III clinical trials
Phase III clinical trials	• Manufacturing of clinical trial samples • Confirmation of the efficacy and safety
NDA	• Application for pre-NDA communication • Submission of NDA application • Review of the application materials, on-site inspections and final assessments by the NMPA
Launch	• NMPA approval for new drug registration is obtained and drug approval number is granted • Mass production commences

Collaboration with Third Parties

In addition to conducting our core R&D activities in-house, we also engage reputable CROs to manage, conduct, and support our preclinical studies and clinical trials. We select CROs based on various factors, such as professional qualifications, research experience in the related fields, service quality and efficiency, industry reputation, and pricing. Depending on the type of services needed, we enter into service agreements with our CROs on a project-by-project basis, which set out detailed work scope, procedures, timeline, payment schedule and so forth. We closely supervise our CROs to ensure they perform in a manner that complies with our protocols and applicable laws, which in turn protects the integrity and authenticity of the data from our trials and studies.

Below is a summary of the key terms of an agreement we typically enter into with our CROs:

- ***Services.*** The CROs provide us with services in the course of our preclinical studies and clinical trials, such as safety evaluation, clinical supervision and report preparation.

- ***Term.*** The CROs are required to perform their services within the prescribed time limit set out in each work order, usually on a project basis.

- ***Payments.*** We are required to make payments to the CROs in accordance with a payment schedule agreed by the parties.

- ***Intellectual property rights.*** We own all intellectual property rights arising from the projects conducted by the CROs within the stipulated work scope.

- ***Confidentiality.*** Our CROs are not allowed to disclose confidential information, including but not limited to, any technical materials, research reports or trial data related to the project specified in the agreement, and such obligation may survive the termination of the agreement.

For risks relating to CROs, see "Risk Factors – We work with various third parties to develop our product candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our product candidates, and our business could be materially harmed."

MANUFACTURING

Manufacturing Facilities

As of the Latest Practicable Date, we had two production facilities, including one located in Wuxi, Jiangsu Province and one located in Zhongshan, Guangdong Province.

As of the Latest Practicable Date, our production facilities in operation had an aggregate GFA of approximately 22,175.9 sq.m., housing a total of 12 commercial-scale production lines. Among them, three production lines (with an aggregate annual designed production capacity of 90,000 doses) have obtained production licenses and passed GMP compliance inspections, authorizing them to produce pharmaceuticals for commercial sales. During the Track Record Period, these three production lines were used for clinical production and provision of CDMO services, with commercial production of XTR005 (歐韋寧®) commencing in 2025. In addition, we have another in-house manufacturing facility in Mianyang, Sichuan Province with a GFA of approximately 21,549.2 sq.m. We are in the process of obtaining relevant licenses and permits and expect this facility to commence operations in the third quarter of 2025.

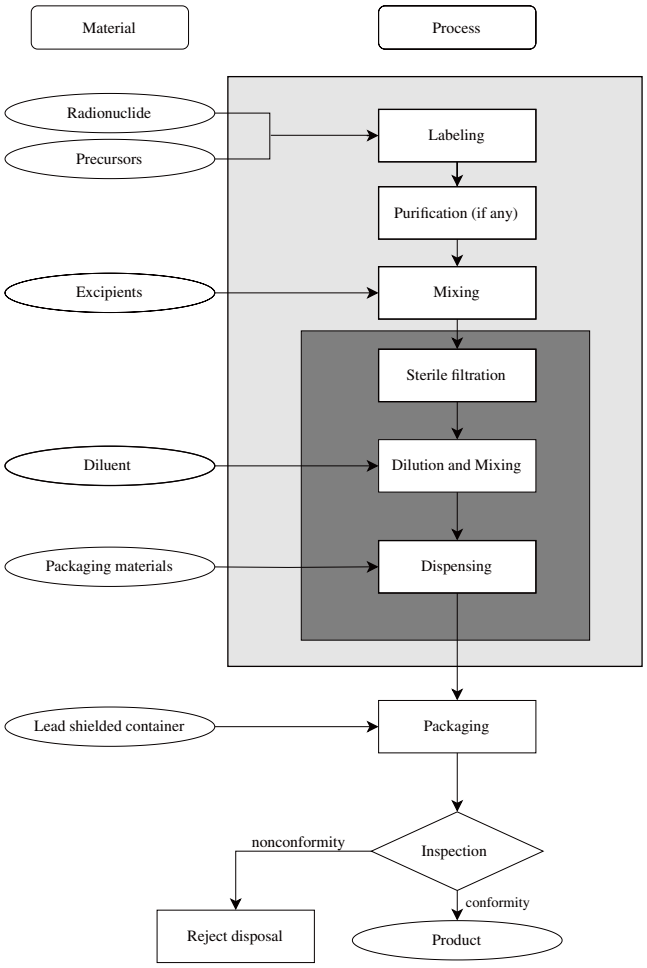
Our production facilities are fully equipped with advanced equipment such as high-performance cyclotron, hot cell integrated with automatic filling robot system and radiation protection fume hood. We carry out maintenance and repair work in compliance with applicable GMP requirements and we replace or upgrade our production equipment when necessary to enhance productivity. We believe our production facilities and equipment are in good working condition.

Expansion Plan

Considering the limited shelf life of our innovative radiopharmaceuticals, we plan to establish a new manufacturing facility in the Beijing-Tianjin-Hebei-Shandong region. This strategic expansion aims to ensure the timely delivery of our products to customers across northern China, improving the accessibility of our products and extending our geographical reach. Currently, we are in the site selection stage for this new facility. We plan to commence the construction of such facility in 2026.

Manufacturing Process

The following diagram summarizes the manufacturing process for radiopharmaceuticals, which takes approximately 0.5-1 day.



Legend:

No.	name	symbol	meaning
1	Process steps		processing of materials
2	Flow		the direction and connection of processes and materials
3	Materiel		materiel
4	Inspection		inspection
5	Grade C zone		Grade C Clean zone
6	Grade A zone		Grade A Clean zone

Collaboration with Third Parties

During the Track Record Period and up to the Latest Practicable Date, we had worked with qualified CMOs to manufacture product candidates and commercialized products. We select CMOs by taking into account a number of factors, such as their manufacturing capacity and qualifications, relevant expertise, reputation and track record, product quality and applicable regulations and guidelines. We have adopted, and will continue to implement, procedures to ensure that the production qualifications, facilities and processes of our CMOs comply with the applicable regulatory requirements and our internal guidelines and quality standards. For more information, please see "– Quality Control."

Key terms of the agreements that we typically enter into with our CMOs are set forth below.

- ***Services.*** The CMOs provide us with manufacturing services according to quality standards and prescribed time frame as set out in the agreement.

- ***Quality control.*** CMOs are obliged to ensure that the quality of products meet the quality standards set out in the agreement and requirements of cGMP and other regulations.

- ***Payment***s. We are required to make payments to the CMOs in accordance with the payment schedule set forth in the agreement, which is typically linked to the stages of the manufacturing process and the deliverables we receive.

- ***Intellectual property rights.*** We own all intellectual property rights arising from the outsourced manufacturing processes.

- ***Confidentiality.*** Our CMOs are not allowed to disclose confidential information, including but not limited to, any technical materials, research reports or trial data related to the project specified in the agreement, and such obligation may survive the termination of the agreement.

For risks relating to CMOs, see "Risk Factors – We rely on third parties to manufacture a portion of our products for clinical development and commercial sales, and our business could be harmed if those third parties fail to provide us with sufficient quantities of the products or fail to do so at acceptable quality levels or prices."

Inventory Management

We actively manage and maintain our inventories to ensure cost-efficiency, quality control and the timely manufacturing, distribution and sales of our products. Our inventory primarily consists of finished products, work in progress and raw materials. Inventories are stored in different areas in our warehouses according to their respective storage condition requirement, properties and usage and batch number.

QUALITY CONTROL

We believe that an effective quality control system is critical to ensure the quality of our products and maintaining our reputation and success. Our senior management team is actively involved in formulating internal quality control policies and monitoring our overall quality control process. We have established comprehensive quality control procedures and protocols that span across the entire production lifecycle from raw material sourcing till the final products are delivered to customers.

Quality Control of Raw Materials

We have established detailed quality control procedures guiding our internal production and external purchase of raw materials used in the manufacturing of our products and product candidates. We have established detailed internal rules governing the selection of raw materials suppliers. We purchase raw materials only from suppliers whose business qualification and product quality we have verified. We select suppliers based on a variety of factors including qualifications, business reputation, production scale, quality and prices.

Quality Control of Work in Progress

Our quality control team is responsible for ensuring that our manufacturing processes conform with applicable national standards including GMP standards. We have various rules to govern production process, including Deviation Treatment Management Procedures, Rectification and Prevention Management Procedures and Production Site Monitoring and Management Procedures.

Quality Control of Finished Products

Before we deliver our final products to customers, our quality assurance team conducts quality assessment of each batch of products to ensure that they have been produced in accordance with the applicable national standards including GMP requirements and approved production processes. Authorized quality control personnel inspects the documentation relating to the quality of a product, including its batch records, laboratory control records, production process records and other information that may impact on product quality to confirm that all necessary examinations have been conducted with satisfactory results. Only the final products that have fulfilled all testing requirements can be released and sold to the market.

MARKETING AND SALES

In-House Sales and Marketing Team

Our in-house sales and marketing team is primarily responsible for the promotion of our products through various marketing activities and sales through different channels in China. As of the Latest Practicable Date, our in-house sales and marketing team included 91 employees, with an average of approximately 13 years of pharmaceutical industry-related experience. We believe that an in-house sales and marketing team with a relatively high level of industry knowledge and expertise is important

to implement our academic marketing approach and to maintain our reputation and brand image. We regularly provide in-house trainings to our sales and marketing personnel to enhance their knowledge about our products and professional skills.

Our sales and marketing personnel are required to strictly adhere to our detailed procedures, policies and guidelines, including but not limited to a code of conduct on interacting with, and promoting our products to, healthcare professionals. Please see "– Risk Management and Internal Control."

Marketing

Currently we promote our pharmaceutical products through our in-house sales and marketing team. We organize and participate in a wide variety of academic conferences, seminars and symposia, on which we communicate with these healthcare professionals about the usage, efficacy, safety and latest clinical research results of our products. We also provide tailored product training, where medical professionals can learn how to properly administer and monitor our treatments. These academic marketing activities not only enable us to obtain the requests and feedback of our products from healthcare professionals timely, but also promote our brand and product awareness among healthcare professionals.

Sales

Direct Sales

We sell XTR005 (歐韋寧®) directly to healthcare institutions in China. We enter into long-term sales agreements with our direct sale customers while purchase orders are separately placed for each purchase. Our selling prices to direct sales customers are typically fixed during the term of the direct sales agreements. We set annual minimum purchase requirements for some of our direct sales customers. We are responsible for the delivery of our products to our direct sales customers at our own costs. We generally do not allow product returns or exchanges except for defective products. We typically grant our direct sales customers a credit term of 30 to 280 days and they pay us via wire transfer. In addition, we sell radionuclides mainly to hospitals.

Distributors

We sell 歐達樂® to distributors, which distribute such products to hospitals in China. We benefit from our distributors' established distribution channels and local resources to save costs that would otherwise be required to establish and maintain a nationwide logistics network across the PRC on our own, and to increase the effectiveness of launching and selling our products in our target markets within a short period of time. In 2023 and 2024, we engaged one and 12 distributors, respectively. We do not require our distributors to maintain a minimum inventory level. We generally do not allow product returns or exchanges except for defective products.

We select our distributors based on their proven distribution abilities, knowledge of their target markets, warehouse management, financial stability, credit records and expertise and experience of their management team. We require all our distributors to possess all licenses and permits necessary for the sales and distribution of pharmaceutical products.

During the Track Record Period, we did not terminate our business relationship with any distributors due to their breach of their distribution agreements or their non-compliance with regulatory requirements.

Logistics Arrangement

We engage third-party logistics service providers to transport our products to our direct sales customers and distributors. We have entered into logistics service agreement with such providers, pursuant to which they are responsible for any loss caused by their negligence during the course of their logistics services.

Marketing Services

We provide marketing services to a third-party radiopharmaceutical company ("**Marketing Services Customer**") regarding one of their diagnostic radioligands ("**Marketing Product**"), in order to further enhance our reputation in the radiopharmaceutical market as well as supplement our cash flow. We have signed a 15-year marketing services agreement with Marketing Services Customer. The key terms of the marketing services agreement are as follows:

- ***Services.*** We provide academic marketing services for the Marketing Product within the agreed cooperation area.

- ***Marketing Service Fee.*** We are entitled to receive marketing fees based on our actual workload. The marketing fees are to be paid annually.

- ***Sales Targets.*** We guarantee that the sales volume of the Marketing Product will increase annually at the agreed rate. If we fail to meet the agreed sales growth targets for two consecutive years, the Marketing Services Customer has the right to require us to pay a fixed-amount penalty. As of the Latest Practicable Date, we had not received any penalty for failing to meet the sales growth targets.

- ***Exclusivity.*** Unless agreed by us, the Marketing Services Customer shall not commission a third party to provide marketing services for the Marketing Product, while we shall not promote similar products from a third party within the agreed cooperation area.

PRODUCT RETURNS AND WARRANTIES

We generally do not accept any product returns, except for defective products. For defective products, we are fully responsible for the cost of return and replacement of these products. We provide warranties on our qualifications and products. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material compliant or product returns due to quality problems.

PRICING

We determine the prices of our products based on a number of factors, including our costs of production, prices of competing drugs (if applicable), our technology advantages, differences in features between our drugs and competing drugs, affordability of patients and changes in the levels of supply and demand. As of the Latest Practicable Date, our commercialized products were not included in NRDL.

INTELLECTUAL PROPERTY

Our continued success depends on our ability to obtain and maintain proprietary or intellectual property protection for our drug candidates, our core technologies and other know-how. We also have internal protocols in place to ensure that we operate without infringing, misappropriating or otherwise violating the proprietary rights of others, and to prevent others from infringing, misappropriating or otherwise violating our proprietary or intellectual property rights. We protect our proprietary and intellectual property by, among other methods, filing patent applications related to our proprietary technology, inventions and improvements. We also rely on trade secrets and know-how to develop and maintain our proprietary and intellectual property, which we generally seek to protect through contractual obligations with third parties.

As of the Latest Practicable Date, we had 28 registered trademarks in the PRC and two domain names, which we consider to be material to our business. As of the Latest Practicable Date, we held 106 registered patents including 101 registered patents in China, one registered patent in the U.S., and four registered patents in other jurisdictions and 96 patent applications including 53 patent applications in China, seven patent applications in the U.S., 27 patent applications in other jurisdictions, and nine patent applications under PCT. As of the Latest Practicable Date, for our Core Products, we held 33 registered patents, all of which are registered in China, and 26 patent applications including 18 patent applications in China, two patent applications in the U.S., four patent applications in other jurisdictions, and two patent applications under PCT. As of the Latest Practicable Date, we in-licensed 16 registered patents and eight patent applications, including one in-licensed patent in connection with our Core Product XTR006. The following table summarizes the details of the material patents we held or in-licensed in connection with our Core Products:

Product Name	Patent Name	Patent Type	Patentee	Jurisdiction	Patent Expiration[1]
XTR004	A pyridazinone compound containing PEGylated benzyltriazole and its preparation method and application	Invention	Our Company	China	2033-02-18
XTR004	Compound I liquid composition, preparation method, and its use	Invention	Our Company	China	2042-07-04
XTR004	Preparation method of liquid composition containing compound I and use thereof in myocardial perfusion PET imaging	Invention	Our Company	China	2042-07-04
XTR006	Pyrrolo[2,3-c]pyridines as imaging agents for neurofibrilary tangles	Invention	Merck & Co., Inc.[2]	China	2035-06-09
XTR008	A transfer device and method for transferring radioactive drug solution and use thereof	Invention	Our Company	China	2042-04-24
XTR008	Radioactive liquid extraction device and extraction method, and use thereof	Invention	Our Company and INPC	China	2042-05-11
XTR008	Radioactive liquid extraction device and extraction method, and use thereof	Invention	Our Company and INPC	China	2042-05-11
XTR008	An online filter membrane integrity testing device and method, and use thereof	Invention	Our Company	China	2042-06-10
XTR008	Online filter membrane integrity testing device and method, and its applications	Invention	Our Company	China	2042-06-10

Product Name	Patent Name	Patent Type	Patentee	Jurisdiction	Patent Expiration[1]
XTR003	Liquid composition containing compound I, preparation method, and its use	Invention	Our Company	China	2042-06-23
XTR003	A preparation method of a liquid composition of compound I and its use in myocardial metabolism PET imaging	Invention	Our Company	China	2042-06-23
XTR003	A new process for modifying fatty acid-based PET reagent precursors	Invention	Our Company	China	2037-04-17

Notes:

(1) Patent expiration does not include any applicable patent term extensions.

(2) We in-licensed this patent from Cerveau pursuant to XTR006 Agreement. See "– Collaboration Agreements – XTR006 Agreement." We have the exclusive rights related to this patent to develop, manufacture, and commercialize XTR006 in China.

The following table summarizes the details of our material patent applications in connection with our Core Products:

Product Name	Patent Name	Patent Type	Applicant	Jurisdiction
XTR004	Liquid composition of compound 1, preparation method therefor, and application thereof	Invention	Our Company	U. S.
XTR004	Liquid composition of compound 1, preparation method therefor, and application thereof	Invention	Our Company	Japan
XTR004	Liquid composition of compound 1, preparation method therefor, and application thereof	Invention	Our Company	Europe
XTR004	Preparation method for liquid composition containing compound i and use in myocardial perfusion pet imaging	Invention	Our Company	U. S.

Product Name	Patent Name	Patent Type	Applicant	Jurisdiction
XTR004	Preparation method for liquid composition containing compound i and use in myocardial perfusion pet imaging	Invention	Our Company	Japan
XTR004	Preparation method for liquid composition containing compound i and use in myocardial perfusion pet imaging	Invention	Our Company	Europe
XTR008	A radioactive pharmaceutical aqueous solution and its use	Invention	Our Company	China
XTR008	Radioactive pharmaceutical aqueous solution, its preparation method, and its use	Invention	Our Company	China
XTR008	Method for determining the radiochemical purity of solutions containing lutetium [^{177}Lu] conjugates and the use of thin-layer chromatography in the process	Invention	Our Company	China
XTR003	Production equipment for a liquid composition, its preparation method, and its use	Invention	Our Company	China
XTR003	Synthesis method for modifying long-chain fatty acid-based PET agent precursors and their use	Invention	Our Company	China
XTR003	Use of PET myocardial fatty acid metabolism imaging agent and positron ^{18}F-FDG myocardial glucose imaging agent for combined PET imaging	Invention	Our Company	PCT

Based on the freedom to operate ("**FTO**") analysis of our Core Products, we are not aware of any issued patents that may affect our rights to conduct research and development or commercialization of our Core Products in China. FTO analysis is a patent investigation, based on a search of patent databases, which is commonly used to determine whether any existing patents cover a company's product, and whether that product would infringe any existing patents. However, we cannot provide any assurance that all relevant third party patents were identified or that conflicting patents will not be issued in the future. For more information, see "Risk Factors – Risks Relating to Our Intellectual Property Rights."

For more details of our other intellectual property rights, please see Appendix VI.

The term of an individual patent may vary based on the countries/regions in which it is granted. The actual protection afforded by a patent varies on a claim-by-claim and country-by-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extension or adjustment, the availability of legal remedies in a particular country/region and the validity and enforceability of the patent.

We rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our drug candidates and related technologies. We seek to protect our proprietary technologies and processes, in part, by entering into confidentiality arrangements with third-party contractors. We maintain contractual arrangements with our key employees and employees involved in research and development, stipulating that intellectual property conceived and developed during their employment is our exclusive property and they waive all relevant rights or claims to such intellectual property. We also have established relevant internal policy to ensure the confidentiality of our information.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of any claims of infringement of any intellectual property rights which may have a material adverse effect on our business, financial condition and results of operations. However, there are risks if we fail to protect our intellectual property rights in the future. For risks relating to our intellectual property, see "Risk Factors – Risks Relating to Our Intellectual Property Rights."

CRO and CDMO SERVICES

During the Track Record Period, we provided CRO and CDMO services to pharmaceutical companies. We provide CRO and CDMO services to not only increase our revenue base, but also accumulate industry experience which may support our own R&D innovation and production capacity improvement. We enter into service agreements with these pharmaceutical companies and receive milestone payments tied to research or manufacturing progress. These agreements generally include terms on product quality or service details, technical standards or methods, delivery, agreed price and payment, and product inspection and acceptance criteria. In 2023 and 2024, we generated revenue of RMB1.0 million and RMB27.2 million, respectively, from our CRO and CDMO services.

CUSTOMERS

Our customers primarily consist of healthcare institutions and distributors which directly purchase pharmaceutical products and radionuclides from us, and pharmaceutical enterprises which purchase CRO or CDMO services from us.

In 2023 and 2024, our revenue generated from our five largest customers in each year during the Track Record Period in aggregate accounted for 95.7% and 93.3% of our total revenue in the respective year, respectively, and revenue generated from our largest customer alone in each year during the Track Record Period accounted for 50.3% and 44.0% of our total revenue in each respective year, respectively. We typically grant our customers credit terms ranging from 30 days to 280 days. The following table sets forth details of our five largest customers in each year during the Track Record Period:

Five Largest Customers for the Year Ended December 31, 2023	Customers' Background	Major Products/ Services Provided	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
				(RMB'000)	*(%)*
Customer A	Based in Beijing, China, a company mainly engaged in the industrial application of nuclear technology.	Marketing services	2018	5,151.0	50.3
Duality Biologics (Suzhou) Co., Ltd. (映恩生物製藥(蘇州)有限公司)	Based in Jiangsu Province, China, a company mainly engaged in R&D of antibody-drug conjugate, which is listed on Hong Kong Stock Exchange.	IP out-licensing	2021	3,747.5	36.6
Customer B	A comprehensive hospital based in Guangdong Province, China.	Radionuclides and CRO/ CDMO services	2022	461.6	4.5
Customer C	A comprehensive hospital based in Guangdong Province, China.	Radionuclides and CRO/ CDMO services	2022	229.1	2.2
Customer D	Based in Guangdong Province, China, a company mainly engaged in pharmaceutical R&D.	CRO/CDMO services	2022	198.1	1.9
Total				**9,787.3**	**95.7**

Five Largest Customers for the Year Ended December 31, 2024	Customers' Background	Major Products/ Services Provided	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
				(RMB'000)	*(%)*
Customer E	Based in Jiangsu Province, China, a company mainly engaged in the manufacturing of drug and medical device.	CRO/CDMO services	2023	19,380.2	44.0
Customer F	Based in Beijing, China, a company mainly engaged in pharmaceutical R&D.	CRO/CDMO services	2024	7,547.2	17.1
Duality Biologics (Suzhou) Co., Ltd. (映恩生物製藥(蘇州)有限公司)	Based in Jiangsu Province, China, a company mainly engaged in R&D of antibody-drug conjugate, which is listed on Hong Kong Stock Exchange.	IP out-licensing	2021	6,702.9	15.2
Customer A	Based in Beijing, China, a company mainly engaged in industrial application of nuclear technology.	Marketing services	2018	6,458.6	14.7
Customer G	Based in Beijing, China, a company mainly engaged in pharmaceutical sales.	歐達樂®	2023	1,044.7	2.4
Total				**41,133.6**	**93.3**

To the best of knowledge of our Directors, all of our five largest customers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest customers in each year during the Track Record Period.

SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of (i) suppliers of raw materials (such as radionuclides, precursors and kits) and equipment; (ii) CROs and CMOs; (iii) collaboration partners and (iv) construction service providers for our facilities.

Currently, we procure raw materials mainly from suppliers in China. We have established stable collaboration relationships with qualified suppliers for raw materials, which we believe have sufficient capacity to meet our demands. Nevertheless, we believe that adequate alternative sources for such supplies exist. We select our suppliers by considering their qualifications, compliance with relevant regulations and industry standards, manufacturing facilities, production quality, prices, business scale, market share, reputation, and after-service quality. During the Track Record Period, we did not experience any material disputes with suppliers, difficulties in procurement, or interruptions in our operations due to a delay in delivery of raw materials.

See "– Research and Development – Collaboration with Third Parties" for details on our relationships with the CROs and "– Manufacturing – Collaboration with Third Parties" for details on our relationships with the CMOs.

In 2023 and 2024, our purchases from our five largest suppliers in each year during the Track Record Period in aggregate accounted for 35.2% and 26.1% of our total purchases in the respective year/period, respectively, and purchases from our largest supplier alone in each year during the Track Record Period accounted for 14.3% and 6.4% of our total purchases in each respective year, respectively. Suppliers typically grant us credit terms ranging from 30 days to 90 days. The following table sets forth details of our five largest suppliers in each year/period during the Track Record Period:

Five Largest Suppliers for the Year Ended December 31, 2023	Suppliers' Background	Major Products/ Services Supplied	Commencement of Business Relationship	Purchase Amount	Percentage of Total Purchase
				(RMB'000)	*(%)*
Supplier A	Based in Jiangsu Province, China, a company mainly engaged in construction.	Construction services	2022	56,413.9	14.3
Sichuan Da'an Construction Engineering Co., Ltd. (四川大安建築工程有限責任公司)	Based in Sichuan Province, China, a company mainly engaged in construction.	Construction services	2022	37,784.3	9.5
Supplier B	Based in Hunan Province, China, a company mainly engaged in R&D, manufacturing and sales of medical device.	Equipment	2022	20,601.8	5.2
Supplier C	Based in Israel, a company mainly engaged in nuclear medicine.	Radioisotope	2021	14,126.4	3.6
Shanghai Depu Biopharmaceutical Technology Co., Ltd. (上海德浦生物醫藥科技有限公司)	Based in Shanghai, China, a company mainly providing CRO services.	CRO services	2021	10,547.2	2.7
Total				**139,473.7**	**35.2**

Five Largest Suppliers for the Year Ended December 31, 2024	Suppliers' Background	Major Products/ Services Supplied	Commencement of Business Relationship	Purchase Amount	Percentage of Total Purchase
				(RMB'000)	*(%)*
Shanghai Depu Biopharmaceutical Technology Co., Ltd. (上海德浦生物醫藥科技有限公司)	Based in Shanghai, China, a company mainly providing CRO services.	CRO services	2021	10,008.5	6.4
Supplier A	Based in Jiangsu Province, China, a company mainly engaged in construction.	Construction services	2022	8,817.4	5.6
Supplier C	Based in Israel, a company mainly engaged in nuclear medicine.	Radioisotope	2021	7,845.6	5.0
Supplier D	Based in Beijing, China, a company mainly providing radiopharmaceuticals and CDMO services.	CMO services and equipment	2020	7,173.4	4.6
Supplier E	Based in Guangdong Province, China, a company mainly engaged in pharmaceutical R&D and providing CRO and CDMO services.	CRO services	2021	6,987.4	4.5
Total				**40,832.3**	**26.1**

To the best of knowledge of our Directors, all of our five largest suppliers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers in each year during the Track Record Period. In addition, we believe that we have adequate alternative sources for such suppliers, and we have developed alternative sourcing strategies to decrease our reliance on existing suppliers. We will establish necessary relationships with alternative sources based on our assessment on the risk of supply continuity.

COMPETITION

The pharmaceutical industry is evolving and highly competitive. We face competition from other pharmaceutical companies and emerging biotechnology companies engaged in the research, development, production, marketing or sales of pharmaceutical products. Our products primarily compete with products that are indicated for similar conditions as our products on the basis of efficacy, safety, convenience, pricing and supply stability. For more information on the competitive landscape of our drug candidates, please see "Industry Overview" and "– Product Candidates."

We expect the competition will become more intensive in the future as additional players enter into the segments. The identities of our key competitors vary by product and, in certain cases, our competitors may have greater financial and research and development resources than us, may elect to focus these resources on developing, importing or in-licensing and marketing products in China that are substitutes for our products and may have broader sales and marketing infrastructure with which to do so. For potential impact of market competition, please see "Risk Factors – Risks Relating to Sales and Commercialization of Our Products and Product Candidates – We face intense competition and our competitors may discover, develop or commercialize competing products faster or more successfully than we do, which may adversely affect our revenue and profitability and our ability to successfully commercialize our product candidates."

We believe our continued success will depend on our following capabilities: the capability to develop innovative products and advanced technologies; the capability to apply technologies to all production lines; the capability to develop an extensive product portfolio; the capability to maintain a highly efficient operational model; the capability to attract, retain and cultivate talent; the capability to maintain high quality standards; the capability to obtain and maintain regulatory approvals; and the capability to effectively market and promote products.

AWARDS AND RECOGNITION

The table below sets forth the key selected awards and recognitions we have received as of the Latest Practicable Date.

Award/Project	Year	Award/Grant Authority
Specialized and Innovative "Little Giant" Enterprises (專精特新"小巨人"企業)	2024	Ministry of Industry and Information (工業和信息化部)
Beijing Intellectual Property Advantageous Unit (北京市知識產權優勢單位)	2023	Beijing Intellectual Property Office (北京市知識產權局)

Award/Project	Year	Award/Grant Authority
Beijing Municipal Enterprise Scientific and Technological Research and Development Institution (北京市級企業科技研究開發機構)	2023	Beijing Municipal Science and Technology Commission and Zhongguancun Science and Technology Park Management Committee (北京市科學技術委員會、中關村科技園區管理委員會)
Hi-Tech Enterprise (高新技術企業)	2022	Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau and Beijing Municipal Tax Service, State Administration of Taxation (北京市科學技術委員會、北京市財政局、國家税務總局北京市税務局)
Beijing "Professional, Refined, Unique and New" SMEs (北京市"專精特新"中小企業)	2022	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)

HEALTH, SAFETY, SOCIAL AND ENVIRONMENTAL MATTERS

We acknowledge our environment protection and social responsibilities and are aware of the environmental, energy, climate-related and workplace safety issues that may impact our Group's business operation. We are committed to complying with environmental, social and governance ("**ESG**") reporting requirements upon the **[REDACTED]**.

We are subject to various environment, health and safety ("**EHS**") related laws and regulations in China. To ensure our compliance with applicable environmental protection, health and safety laws and regulations, we (i) have established various guidelines governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials wastes, and taken measures to ensure such guidelines are strictly enforced; (ii) inspect our equipment and offices regularly to identify and eliminate safety hazards; and (iii) keep health records for all employees and conduct health examinations during their time at the Company, especially for employees engaged in work involving occupational hazards.

During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant PRC environmental and safety laws and regulations in all material aspects, and we did not have any incidents or complaints which had a material adverse effect on our business.

Governance of Environmental and Social Matters

Our Board has overall responsibility for (i) overseeing and determining our Group's environmental, social, and climate-related risks and opportunities that impact our Group, (ii) establishing ESG related targets of our Group, (iii) adopting the ESG related policies, and (iv) reviewing our Group's performance in ESG matters.

We are subject to environmental-related and social related risks and climate-related issues. See "Risk Factors – Risks Relating to Government Regulations – We are subject to environmental protection, health and safety laws and regulations, and failure to comply with them could result in fines, penalties, or costs that may materially adversely affect the success of our business." We may adopt more ESG policies relating to social responsibility and internal governance as our Board deems fit. Our Board takes full responsibility to our ESG strategy and reporting. Our Board may assess the ESG risks and review our existing strategy, target and internal controls. Necessary improvements will be implemented to mitigate the risks. At the same time, we are committed to the sustainable growth and long-term development of the company.

Environmental Matters

Hazardous Waste

We have adopted internal policies for environmental risk prevention to ensure compliance with the requirements of the applicable national, industrial and local standards, laws, regulations and policies. In particular, we (i) store hazardous waste in special warehouse and have contracted with qualified third parties for the disposal of hazardous waste; and (ii) conduct regular inspections of the special warehouse containing hazardous wastes, in order to make sure that respective containers are intact; and (iii) establish a ledger to record the name, nature, source, quantity, and input and output of the waste.

We monitor our hazardous waste on a periodic basis and make continuous efforts in working towards the target of reducing the hazardous waste discharge. Our hazardous waste discharge levels amounted to approximately 9.7 tons and 10.6 tons in 2023 and 2024, respectively. Hazardous waste was transferred to the waste disposal company once we accumulated considerately large amount of waste. We require operational qualification from the third-party waste disposal company in accordance with relevant laws and regulations. The waste disposal company would issue written records for the transfer of hazardous wastes and we keep such records for our internal review and compliance. In 2023 and 2024, we incurred costs in relation to hazardous waste disposal of approximately RMB0.2 million and RMB0.2 million, respectively. We will make continuous endeavors to take measures to protect the ecological environment during our business operation, so as to minimize adverse environmental impact.

Resource Consumption

To reach our goal for sustainable development, we oversee our environmental protection performance in various aspects, such as efficiency in the use of resources and energy consumption. We monitor our electricity and water consumption levels and implement measures to improve energy efficiency and water conservation. In 2023 and 2024, our electricity consumption was approximately 1,605.2 MWh and 1,536.0 MWh, respectively, with our water consumption reaching approximately 6,813 tons and 5,647 tons, respectively.

Following the ESG evaluation system standards in China and the market practice of industry pioneers, we aim to avoid or reduce the adverse impact on the environment caused by our operations and services, formulate environmental management plans to continuously improve our energy consumption efficiency and ensure all of our operations comply with governmental environment-related regulations and requirements. Our current target is to establish a comprehensive ESG governance mechanism for our Company and the historical energy consumption levels during the Track Record Period will serve as a foundation for developing more relevant energy reduction strategies and settling appropriate reduction targets for us in the future.

Climate Change

In view of the nature of our business, to the best knowledge of our Directors, the climate change will not have any major impact on our business operation. In the case of extreme natural weather, we will actively respond to the relevant policies of local government, make contingency plans to ensure the safety of our staff. In the case of acute physical risks such as direct damage to assets and indirect impacts from supply chain disruption as a result of extreme weather events, we will make corresponding contingency and disaster preparedness plans, and we believe that we have the ability to deal with climate crisis. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material impact on our business operations, strategies or financial performance as a result of climate-related issues.

Social Matters

We have policies on compensation and dismissal, equal opportunities and anti-discrimination. If our employees encounter any unequal discrimination, they should seek immediate assistance from either their department head, human resources department or our management team. We will immediately follow up, investigate, and, if necessary, report to the law enforcement authorities.

We have adopted and maintained a series of rules, standard operating procedures and measures to maintain a healthy and safe environment for our employees. We also organize regular safety training and exercises for our employees to improve their safety awareness.

EMPLOYEES

As of the Latest Practicable Date, we employed 543 employees, all of whom were based in China. The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date.

Function	Number of employees	Percentage
Research and development	196	36.1
Manufacturing	44	8.1
QA and QC	84	15.5
Sales and marketing	91	16.8
Others	128	23.6
Total	**543**	**100.0%**

We believe our ability to attract, hire, and keep quality employees is indispensable for our success. We primarily recruit employees through campus job fair, recruitment agencies and internal referral, taking into account factors including work experience, education, and professional competence. We offer competitive remuneration packages based on qualifications and experience. To ensure compliance with PRC labor laws, we enter into standard individual employment agreements with our employees, covering matters such as terms, wages, bonuses, employee benefits and grounds for termination. We also enter into confidentiality and non-competence agreements with our senior management and key technical personnel.

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 offer employees a variety of professional development opportunities and encourage a performance-driven environment. We focus on creating a culture to encourage retention and engagement. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. We also provide training and development programs to our employees from time-to-time to achieve talent growth.

As of the Latest Practicable Date, none of our employees were represented by labor unions. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any strikes or labor disputes which have had a material effect on our business.

PROPERTIES

Owned Land and Properties

As of the Latest Practicable Date, we held land use rights to three parcels of land in Wuxi, Jiangsu Province, Zhongshan, Guangdong Province and Mianyang, Sichuan Province with an aggregate site area of approximately 39,948.4 sq.m.. As of the Latest Practicable Date, our PRC Legal Advisors confirmed that we legally and validly owned the rights to use the aforementioned land parcels, with no existing ownership disputes.

As of the Latest Practicable Date, we owned two properties in Wuxi, Jiangsu Province and Zhongshan, Guangdong Province with an aggregate GFA of approximately 22,175.9 sq.m.. The properties are primarily used for production, warehousing, R&D and office purposes. As confirmed by our PRC Legal Advisors, we legally and validly own the aforementioned properties, with no existing ownership disputes.

As of the Latest Practicable Date, all of our land use rights and owned properties were pledged to secure our bank borrowings.

Leased Properties

As of the Latest Practicable Date, we leased 13 properties with an aggregate GFA of approximately 11,344.2 sq.m. in China, which were primarily used as R&D facilities, manufacturing facilities, offices, dormitories and warehouses. The following table sets forth the details of our leased properties:

No.	Location	Usage	GFA	End of Lease Term
			(Approximate sq.m.)	
1.	Beijing	R&D, warehouse and office	5,075.4	September 14, 2025
2.	Beijing	Office	67.1	March 15, 2026
3.	Nanjing, Jiangsu	Office	230.1	April 30, 2026
4.	Shanghai	R&D and office	1,543.5	January 9, 2028
5.	Beijing	Office	140.2	December 19, 2025
6.	Chengdu, Sichuan	R&D and office	3,630.8	December 31, 2026
7.	Wuxi, Jiangsu	Dormitory	110.7	September 20, 2026
8.	Wuxi, Jiangsu	Dormitory	133.5	January 31, 2026
9.	Wuxi, Jiangsu	Office	219.0	May 5, 2028
10.	Wuxi, Jiangsu	Dormitory	72.0	February 14, 2026
11.	Wuxi, Jiangsu	Dormitory	41.9	February 28, 2026
12.	Beijing	Dormitory	40.0	April 30, 2026
13.	Beijing	Dormitory	40.0	April 30, 2026

In the event that any of our leases expire after the end of their respective lease term, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. For example, we maintain insurance policies covering clinical trial liability and product liability. See "Risk Factors – Risks Relating to our Operations – We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources." During the Track Record Period, we had not made or been the subject of any material insurance claims.

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Adviser has advised, that as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in the PRC. The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit	Issuing Authority	Holder	Grant date	Expiration date
Pharmaceutical Production License (藥品生產許可證)	Beijing Medical Products Administration (北京市藥品監督管理局)	Our Company	August 28, 2023	December 13, 2025
Radiopharmaceutical Production License (放射性藥品生產許可證)	Beijing Medical Products Administration (北京市藥品監督管理局)	Our Company	April 2, 2025	February 6, 2027
Radiation Safety Permit (輻射安全許可證)	Beijing Ecology and Environment Bureau (北京市生態環境局)	Our Company	March 15, 2023	March 14, 2028
Radiopharmaceutical Production License (放射性藥品生產許可證)	Jiangsu Medical Products Administration (江蘇省藥品監督管理局)	Jiangsu Sinotau	January 28, 2025	April 5, 2029
Radiation Safety Permit (輻射安全許可證)	Ministry of Ecology and Environment of the PRC (生態環境部)	Jiangsu Sinotau	February 5, 2025	April 25, 2028

License/Permit	Issuing Authority	Holder	Grant date	Expiration date
Radiopharmaceutical Business License (放射性藥品經營許可證)	Jiangsu Medical Products Administration (江蘇省藥品監督管理局)	Jiangsu Sinotau Pharmaceutical	August 5, 2024	August 4, 2029
Radiation Safety Permit (輻射安全許可證)	Wuxi Ecology and Environment Bureau (無錫市生態環境局)	Jiangsu Sinotau Pharmaceutical	August 7, 2023	August 6, 2028
Radiopharmaceutical Business License (放射性藥品經營許可證)	Guangdong Medical Products Administration (廣東省藥品監督管理局)	Guangdong Sinotau	September 4, 2023	September 3, 2028
Radiation Safety Permit (輻射安全許可證)	Guangdong Ecology and Environment Bureau (廣東省生態環境廳)	Guangdong Sinotau	May 10, 2023	December 1, 2026
Radiopharmaceutical Production License (放射性藥品生產許可證)	Guangdong Medical Products Administration (廣東省藥品監督管理局)	Guangdong Sinotau	July 13, 2024	July 12, 2029
Radiation Safety Permit (輻射安全許可證)	Sichuan Ecology and Environment Bureau (四川省生態環境廳)	Sichuan Sinotau Pharmaceuticals	November 12, 2024	November 11, 2029
Radiopharmaceutical Business License (放射性藥品經營許可證)	Sichuan Medical Products Administration (四川省藥品監督管理局)	Sichuan Sinotau Pharmaceuticals	February 12, 2025	February 11, 2030
Radiation Safety Permit (輻射安全許可證)	Ministry of Ecology and Environment of the PRC (生態環境部)	Glotope Mianyang	November 1, 2024	December 26, 2026
Radiation Safety Permit (輻射安全許可證)	Sichuan Ecology and Environment Bureau (四川省生態環境廳)	Glotope	May 12, 2025	May 11, 2030

We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any claims, disputes, litigations, arbitrations, or other legal proceedings which would have a material adverse effect on our business. During the same period, we were not involved in any non-compliance incidents which would, individually or in the aggregate, have a material adverse effect on our business as a whole.

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For risks and uncertainties relating thereto, see "Risk Factors – Risk Relating to Government Regulations."

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations and we recognize that risk management is critical to our success. For a discussion of various operational risks and uncertainties we face, see "Risk Factors." As such, we are committed to establishing, maintaining risk management and internal control systems that are appropriate for us, and we continuously strive to improve these systems. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

To monitor the ongoing implementation of risk management policies and corporate governance measures after the **[REDACTED]**, we have adopted or will continue to adopt, among other things, the following risk measures:

- Our Board will be responsible for (i) formulating our risk management policy; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedbacks; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Company; and (viii) reporting to our Audit Committee on our material risks.

- Our Audit Committee will oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Company.

- The relevant departments in our Company, including but not limited to the finance department, the legal department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Company and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. Our internal control policies set out a framework to identify, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation. Our special inspection personnel will monitor the implementation of our internal control policies, reports the weakness identified to our management and Audit Committee and follows up on the rectification actions.

- Our Directors (who are responsible for monitoring the corporate governance of our Company) with help from our legal advisers, will also periodically review our compliance status with all relevant laws and regulations after the **[REDACTED]**.

- We have established an Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Company.

- We have engaged Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice to our Directors and senior management team regarding matters relating to the Listing Rules. Our Compliance Advisor is expected to, upon our consultation, provide advice and guidance in respect of compliance with the applicable laws and Listing Rules including various requirements of directors' duties and internal control in a timely fashion.

- We plan to provide various and continuing trainings to update our Directors, senior management, and relevant employees on the latest laws and regulations from time to time with a view to proactively identify any concerns and issues relating to any potential non-compliance.

- Regarding anti-bribery and anti-kickback, we issued anti-bribery and anti-fraud policy which included compliance training for our personnel, particularly our sales and marketing personnel, and setting whistle-blowing system for non-compliance behavior and penalties for bribery and fraud cases.

- Our Directors believe that compliance creates value for us and dedicate to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we regularly conduct internal compliance checks and inspections, adopt strict accountability internally and conduct compliance training.

During the Track Record Period, we had regularly reviewed and enhanced our risk management system and internal control system. We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

BOARD OF DIRECTORS

Our Board consists of 15 Directors, with five executive Directors, five non-executive Directors and five independent non-executive Directors. Our Board serves a term of three years and is responsible for, and has general powers for, the management and conduct of our business.

The table below sets out certain information in respect of the members of our Board.

Name[1]	Age	Position	Date of appointment as Director	Date of joining our Group	Role and responsibilities
Executive Directors					
Mr. XU Xinsheng (徐新盛)	51	Executive Director, chairperson of the Board and general manager	November 1, 2007	January 24, 2005	Responsible for strategic planning, decision-making, resource coordination, compliance control and shareholder communication
Ms. TANG Yanmin (唐艷旻)	52	Executive Director and co-chief executive officer	March 24, 2016	March 24, 2016	Responsible for strategic planning and business implementation
Mr. WANG Peng (王鵬)	51	Executive Director and co-chief executive officer	April 27, 2025	July 1, 2016	Overseeing the overall research and development of the Group
Mr. CHU Wei (儲維)	51	Executive Director and vice president	March 6, 2015	March 6, 2015	Responsible for overseeing company strategy and KA and government relationships management
Mr. YU Wenbin (虞文彬)	43	Executive Director, secretary to the Board, chief financial officer and joint company secretary	April 27, 2025	January 1, 2022	Overseeing the general management center, including the board secretariat, finance, human resources, procurement, corporate management and legal affairs
Non-executive Directors					
Mr. CHEN Daojin (陳道金)	35	Non-executive Director	September 24, 2021	September 24, 2021	Responsible for providing strategic advice on the development of our Group
Dr. ZHANG Yingjie (張英傑)	41	Non-executive Director	March 6, 2015	March 6, 2015	Responsible for providing strategic advice on the development of our Group

Name[1]	Age	Position	Date of appointment as Director	Date of joining our Group	Role and responsibilities
Dr. YE Suofu (葉索夫)	35	Non-executive Director	August 3, 2023	August 3, 2023	Responsible for providing strategic advice on the development of our Group
Dr. HUANG Xu (黃序)	50	Non-executive Director	April 27, 2025	April 27, 2025	Responsible for providing strategic advice on the development of our Group
Mr. HAO Bonan (郝伯男)	38	Non-executive Director	April 22, 2022	April 22, 2022	Responsible for providing strategic advice on the development of our Group
Independent Non-executive Directors					
Ms. NI Hong (倪虹)	52	Independent non-executive Director	April 27, 2025 (effective upon **[REDACTED]**)	April 27, 2025 (effective upon **[REDACTED]**)	Responsible for providing independent advice and judgment to our Board
Dr. Jimmy Zhimin ZHANG	58	Independent non-executive Director	April 27, 2025 (effective upon **[REDACTED]**)	April 27, 2025 (effective upon **[REDACTED]**)	Responsible for providing independent advice and judgment to our Board
Mr. WU Haidong (吳海東)	61	Independent non-executive Director	April 27, 2025 (effective upon **[REDACTED]**)	April 27, 2025 (effective upon **[REDACTED]**)	Responsible for providing independent advice and judgment to our Board
Dr. YANG Yue (楊悅)	52	Independent non-executive Director	April 27, 2025 (effective upon **[REDACTED]**)	April 27, 2025 (effective upon **[REDACTED]**)	Responsible for providing independent advice and judgment to our Board
Dr. KANG Cailian (康彩練)	50	Independent non-executive Director	April 27, 2025 (effective upon **[REDACTED]**)	April 27, 2025 (effective upon **[REDACTED]**)	Responsible for providing independent advice and judgment to our Board

Note:

(1) Save as disclosed in "Relationship with Our Single Largest Shareholders Group," each of our Directors has no relationship with other Directors and senior management members of our Company as of the Latest Practicable Date.

Executive Directors

Mr. XU Xinsheng (徐新盛) is an executive Director, chairperson of the Board and general manager of our Group. He founded our Group in January 2005. He served as the executive Director of our Company from November 2007 to March 2015, the chairperson of the Board and a Director from March 2015 to April 2025, and was redesignated as an executive Director and chairperson of the Board in April 2025. Mr. Xu served as the chief executive officer of the Company since the founding of the Group until he was appointed as the general manager of the Company in April 2025. He has also been a director and chairperson of the board of Glotope since June 2019, and its manager since March 2023.

Mr. Xu has around 30 years of experience in pharmaceutical industry. Prior to founding our Group, Mr. Xu worked at Hainan Sanye Pharmaceutical Factory Co., Ltd. (海南三葉製藥廠有限公司), a pharmaceutical manufacturing company, from July 1995 to July 1997. Mr. Xu worked as a freelance pharmaceutical sales professional from July 1997 to March 2005. From March 2005 to July 2010, Mr. Xu served as the general manager at Hainan Sinotau Pharmaceutical Co., Ltd. (海南先通藥業有限公司) ("**Hainan Sinotau**"), a pharmaceutical sales company. Hainan Sinotau is a wholly owned subsidiary of Beijing Xiantongyuan Pharmaceutical Technology Co., Ltd. (北京先通源醫藥科技股份有限公司), a company divided from our Company in the Division. For details, see "History, Development and Corporate Structure – Corporate Development and Shareholding Changes of Our Group – Subsequent Capital Changes and Equity Transfers of Our Company – 8. Division and Capital Reduction in December 2019" in this document.

Mr. Xu obtained his bachelor's degree in pharmaceutical analysis from Shenyang Pharmaceutical University in July 1995.

Ms. TANG Yanmin (唐艷旻) is an executive Director and co-chief executive officer of our Group. Ms. Tang joined our Group as a Director in March 2016. She took the position of vice president in April 2016 and reappointed as president and chief executive officer in January 2020. In April 2025, Ms. Tang was redesignated as an executive Director and co-chief executive officer of our Group. She also serves the chairperson of the board of Shanghai Sinotau since its establishment.

Ms. Tang has around 30 years of experience in the field of pharmaceuticals and pharmaceutical investment. Prior to joining our Group, Ms. Tang worked as a medical marketing executive at Sino-American (Tianjin) SmithKline Pharmaceutical Co., Ltd. (中美(天津)史克製藥有限公司), a pharmaceutical company, from September 1996 to December 2002. From March 2006 to May 2016, she also served as general manager at Beijing Cotimes Biotech Co., Ltd. (北京同為時代生物技術有限公司), a new drug research and development company, where she was responsible for overseeing operations, strategy, compliance and organizational leadership.

Ms. Tang is also an experienced investor with a dedicated focus on the healthcare sector, possessing deep industry insights and a proven investment strategy. From December 2002 to August 2015, Ms. Tang served as general manager at Asia Baokang Pharmaceutical Consulting (Beijing) Co., Ltd. (亞洲保康藥業諮詢(北京)有限公司), a company related to the Morningside Group focusing on investment consultation in the pharmaceutical industry, where she engaged in project investment and post-investment management and was responsible for overseeing operations, strategy, compliance and organizational leadership. From December 2015 to April 2025, she served as a partner and a consultant at Suzhou Qiyuan Equity

Investment Management Partnership (Limited Partnership) (蘇州啓元股權投資管理合夥企業(有限合夥)), an investment vehicle of Qiming Venture Parnters. She has also served as a non-executive director at (i) JACOBIO PHARMACEUTICALS GROUP CO., LTD, a company listed on the Stock Exchange (stock code: 1167.HK), from August 2018 to December 2024, (ii) Sinocelltech Group Limited (北京神州細胞生物技術集團股份公司), a company listed on Shanghai Stock Exchange (stock code: 688520.SH), from July 2017 to August 2024, (iii) Sino Biological Inc. (北京義翹神州科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 301047.SZ), from April 2018 to July 2024, and (iv) Abbisko Cayman Limited, a company listed on the Stock Exchange (stock code: 2256.HK) from June 2021 to December 2024.

Ms. Tang obtained her bachelor's degree in English pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in July 1996. She further obtained her EMBA degree from the Cheung Kong Graduate School of Business (長江商學院) in September 2008. She is also a pharmacist granted by Tianjin Pharmaceutical Group Corporation (天津醫藥集團總公司) in October 1997.

Ms. Tang was a supervisor of Medi Fast (Beijing) Hospital Management Consulting Co., Ltd. (快驗保(北京)醫院管理諮詢有限公司), a limited liability company established in the PRC, the license of which was revoked on October 12, 2010, and a director of SUNBIO Biotech Pharmaceutical (Tianjin) Co., Ltd. (沙東生物藥業(天津)有限公司), a limited liability company established in the PRC, the license of which was revoked on December 6, 2013, both due to cessation of business operations. Ms. Tang confirmed that she was delegated to these companies as non-executive director/supervisor to represent the investor and did not participate in the business operation of these companies, and as of the Latest Practicable Date, no claims have been made against her and she was not aware of any threatened or potential claims made against her as a result of the revocation of business license of the above companies.

Mr. WANG Peng (王鵬) is an executive Director and co-chief executive officer of our Group. He joined our Group in July 2016 as a senior vice president, and served as president of supervisory committee from March 2016 to March 2019. He holds the current position since April 2025. Mr. Wang also serves a director of Shanghai Sinotau since its establishment.

Mr. Wang has extensive working experience in pharmaceutical and healthcare industry. From July 1996 to August 1998, he served as a pharmacist in Fuxing Hospital, Capital Medical University (首都醫科大學附屬復興醫院). From August 1998 to July 2001, he served as a research student at Peking Union Medical College (北京協和醫院). From December 2002 to June 2004, he served as a reviewer in Huake Pharmaceutical Technology Co., Ltd. (華科醫藥科技有限公司), an intellectual property service provider, where he was responsible for pharmaceutical administration protection review. In June 2004, he joined the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA) (國家藥品監督管理局藥品評審中心), a governmental department responsible for drug evaluation, and served as a pharmaceutical reviewer, until he joined our Group in July 2016.

Mr. Wang obtained his bachelor's degree in English pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in August 1996, and further obtained his master's degree in pharmaceutical from Peking Union Medical College (中國協和醫科大學) (now know as Peking Union Medical College (北京協和醫學院)) in July 2001. He was certified as a licensed pharmacist by the NMPA in October 2002 and accredited as an associate chief pharmacist in December 2009.

Mr. CHU Wei (儲維) is an executive Director and vice president of our Group. He joined our Group as a Director and vice president in March 2015, and he was redesignated as an executive Director in April 2025. Mr. Chu also serves as the executive director and general manager of Jiangsu Sinotau Pharmaceutical since its establishment.

Mr. Chu has extensive experience in the pharmaceutical research and development industry. From September 1998 to March 2003, he worked in the comprehensive panning department at China National Pharmaceutical Industry Corporation (中國醫藥工業公司) (now known as China National Pharmaceutical Investment Co., Ltd. (中國醫藥投資有限公司), where his last position was manager. From October 2003 to August 2005, he was seconded to work at the Economic Operations Development of the National Development and Reform Commission (NDRC). From March 2003 to December 2010, he served as deputy general manager and board secretary at Sinopharm Industrial Co., Ltd. (國藥集團工業有限公司), a pharmaceutical research and development and manufacturing enterprise, where he was responsible overseeing strategy, research and development and board-related matters. Prior to joining our Group, in January 2011, he took the position of deputy general manager at Beijing Quinovare Medical Technology Co., Ltd. (北京快舒爾醫療技術有限公司) ("**Quinovare**"), a medical device development and manufacturing company, until December 2014. Currently, he is still a minor shareholder and director of Quinovare.

Mr. Chu obtained his bachelor's degree in pharmaceutics from Shenyang Pharmaceutical University (瀋陽藥科大學) in July 1995. He was certified as a pharmaceutical formulation engineer by the Professional Technical Title Evaluation Committee of China Pharmaceutical Industry Corporation (中國醫藥工業公司專業技術職務評審委員會) in August 2000.

Mr. Chu was a supervisor of Beijing Oriental Junru Pharmaceutical Technology Co. Ltd. (北京東方君儒醫藥科技有限責任公司), a limited liability company established in the PRC, the license of which was revoked on October 15, 2007 due to cessation of business operations. Mr. Chu confirmed that the company did not have any actual business operation and as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him as a result of the revocation of business license of the above company.

Mr. YU Wenbin (虞文彬 (former name: **虞文斌**)), is an executive Director, secretary to the Board and chief financial officer of our Group and a joint company secretary of our Company. He joined our Group in January 2022 and served as the vice president and secretary to the Board until he took the current positions in April 2025. He was appointed as an executive Director in April 2025. He is also a director of Glotope since July 2023.

Mr. Yu is a seasoned professional with extensive expertise in the securities and investments. From July 2008 to January 2013, Mr. Yu served at BOC International (China) Co., Ltd. (中銀國際證券股份有限公司), a securities company listed on Shanghai Stock Exchange (stock code: 601696.SH), and held the position of assistant vice president prior to his departure, where he was responsible for investment banking business development, project management, client relationship maintenance and team collaboration. From February 2013 to May 2016, he served as director at J.P.Morgan First Capital Securities Co., Ltd. (第一創業摩根大通證券有限責任公司), where he was primarily responsible for client development, project planning and team management. Prior to joining our Group, from May 2016 to December 2021, he served as partner at Shenzhen Wuming Investment Management Co., Ltd. (深圳物明投資管理有限公司), a private equity investment firm, overseeing project screening, due diligence, investment decision-making, post-investment management and fund-raising activities.

Mr. Yu obtained his bachelor's degree in agricultural economics and management from Zhejiang University (浙江大學) in June 2005, and earned his Juris Master degree from Peking University (北京大學) in July 2008. In February 2007, he was granted the legal professional qualification certificate by the Ministry of Justice of the PRC.

Non-executive Directors

Mr. CHEN Daojin (陳道金) is a non-executive Director of the Company. He was appointed as a Director of the Company in September 2021 and was redesignated as a non-executive Director in April 2025. He is also a director of Glotope since January 2025.

Mr. Chen has substantial investment experience across the pharmaceutical and healthcare sectors. From June 2015 to April 2017, he served successively as research manager, chairperson assistant and board secretary at Beijing Sun-Novo Pharmaceutical Research Co., Ltd. (北京陽光諾和藥物研究股份有限公司), where he was responsible for research and development and investment and financing related works. He joined Shenzhen GTJA Investment Group Co., Ltd. (深圳市高特佳投資集團有限公司) ("**GIG**"), a private equity firm, and served as senior investment manager in the equity investment department from April 2017 to June 2018, managing pre- and post-investment activities. Since July 2018, he has been senior investment director at China Life Private Equity Investment Co., Ltd. (Beijing Branch) (國壽股權投資有限公司北京分公司), leading strategic investments, capital operations and risk control. Additionally, he has served as a director of Suzhou Sepax Technologies, Inc. (蘇州賽分科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688758.SH) since August 2021, and a director of Jiangsu Hanbon Science and Technology Co., Ltd. (江蘇漢邦科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 677755.SH), since April 2022.

Mr. Chen obtained his bachelor's degree in pharmaceutical engineering from Anhui College of Chinese Medicine (安徽中醫學院) (now known as Anhui University of Chinese Medicine (安徽中醫藥大學)) in June 2012, and his master's degree in Chinese ethnic traditional medicine from Minzu University of China (中央民族大學) in June 2015.

Dr. ZHANG Yingjie (張英傑) is a non-executive Director of the Company. He was appointed as a Director of the Company in March 2015 and was redesignated as a non-executive Director in April 2025.

Dr. Zhang has built a distinguished career spanning law, investment and corporate leadership. From July 2009 to January 2012, he practiced as an attorney at Beijing King & Wood Mallesons (Shenzhen) Law Firm (北京市金杜(深圳)律師事務所), where he was responsible for providing legal advice and representing clients in litigation and arbitration cases. From January 2012 to October 2013, he served as an investment manager at CoStone Asset Management Co. Ltd. (基石資產管理股份有限公司) (formerly known as Shenzhen CoStone Venture Capital Management Co., Ltd. (深圳市基石創業投資管理有限公司)), where he was responsible for project screening, due diligence and post-investment management. He subsequently served as a partner at GIG from November 2013 to June 2015. He founded Shenzhen Wuming Investment Management (深圳物明投資管理有限公司) in June 2015 and has served as a partner, executive director and general manager since then, where he currently leads the strategy and investments.

Dr. Zhang obtained his bachelor's degree in bioengineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2006 and his juris master's degree from Peking University (北京大學) in July 2009. He obtained his doctoral degree in management from The Hong Kong Polytechnic University (香港理工大學) in March 2021. In February 2008, he obtained the legal professional qualification certificate issued by the Ministry of Justice of the PRC.

Dr. Zhang was a supervisor of Xinjiang Yuanjie Investment Management Co. Ltd. (新疆元杰投資管理有限公司), a limited liability company established in the PRC, the license of which was revoked on June 26, 2019 due to failure to disclose annual reports for three consecutive years. Dr. Zhang confirmed that the company did not have any actual business operation since its establishment and as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him as a result of the revocation of business license of the above company.

Dr. YE Suofu (**葉索夫**) is a non-executive Director of our Company. He was appointed as a Director of our Company in August 2023 and was redesignated as a non-executive Director in April 2025. Since November 2022, he has served as a senior vice president at Investment Team Five in CITIC Capital Equity Investment Co., Ltd. (中信金石投資有限公司), the specialized private equity investment fund subsidiary of CITIC Securities Company Limited (Stock Code: 600030.SH; 6030.HK), where he was responsible for equity investment activities.

Dr. Ye obtained his bachelor of science degree from the China Pharmaceutical University (中國藥科大學) in July 2012 through its elite Science Honors Program, and he earned his doctoral degree in chemical biology from Peking University (北京大學) in July 2017.

Dr. HUANG Xu (黃序) is a non-executive Director of our Company. He was appointed as a non-executive Director in April 2025.

From July 2010 to October 2013, Dr. Huang served as deputy general manager at Sinocelltech Ltd. (神州細胞工程有限公司), a biopharmaceutical company. He then joined Biossom Investment Management Co. Ltd (崇德弘信(北京)投資管理有限公司) as deputy general manager from December 2013 to March 2020. Since April 2020, he has been serving as managing director at CICC Capital Management Co., Ltd. (中金資本運營有限公司).

Dr. Huang obtained his bachelor's degree in biological chemistry from Beijing Normal University (北京師範大學) in July 1996. In May 2004, he earned his doctoral degree in biology from the University of South Carolina-Columbia (USA). He obtained the Securities Practitioner Qualification granted by the Securities Association of China in June 2021.

Mr. HAO Bonan (郝伯男) is a non-executive Director of our Company. He was appointed as a Director of our Company in April 2022, and was redesignated as a non-executive Director in April 2025.

From July 2012 to July 2017, Mr. Hao served as senior trust manager in the Capital Operations Department at Zhongrong International Trust Co., Ltd. (中融國際信托有限公司), where he led and participated in diverse investment and financing activities spanning traditional trust services to capital market investments. From December 2017 to October 2019, he served as General Manager at Wanxin

Medical Technology (Beijing) Co., Ltd. (萬心醫療科技(北京)有限公司), where he was responsible for overall corporate management, business development and capital operations. Since October 2019, he has been serving as Fund Management Department IV Director at China Nuclear Industrial Funds Management Co., Ltd. (中核產業基金管理有限公司), leading fund management and equity investment activities.

Mr. Hao earned his Bachelor's degree in finance in 2010 and master's degree in law in June 2012 from Harbin Engineering University (哈爾濱工程大學). He obtained the Securities Practitioner Qualification granted by the Securities Association of China in March 2015, followed by the Fund Practitioner Qualification awarded by the Asset Management Association of China in December 2016. In March 2018, he obtained the Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC.

Independent Non-executive Directors

Ms. NI Hong (倪虹) was appointed as an independent non-executive Director in April 2025 with effect upon **[REDACTED]**.

Ms. Ni has extensive knowledge and experience in financial reporting, compliance and corporate governance of listed companies. In her early career, Ms. Ni worked at Merrill Lynch's investment banking division in New York. From 1998 to 2004, she served as a practicing attorney at Skadden, Arps, Slate, Meagher & Flom LLP in New York and Hong Kong, specializing in corporate finance. From August 2004 to January 2008, she served as the chief financial officer and secretary of Viewtran Group Inc. (formerly know as Cogo Group Inc.), a company previously listed on Nasdaq from March 2005 to October 2015 (stock code: VIEW), and subsequently served as its vice chairman until early 2009. From May 2014 to June 2022, Ms. Ni served successively as the chief investment officer and a non-executive director of Ingdan, Inc. (formerly known as Cogobuy Group), a company listed on the Stock Exchange (stock code: 400.HK).

Ms. Ni has served as an independent non-executive director at (i) Zhihu Inc., a company listed on the Stock Exchange (stock code: 2390. HK) and the New York Stock Exchange (stock code: ZH. NYSE), since March 2021, (ii) Acotec Scientific Holdings Limited, a company listed on the Stock Exchange (stock code: 6669. HK), since August 2021, (iii) ATA Creativity Global (formerly known as ATA Inc.), a company listed on Nasdaq (stock code: AACG. Nasdaq) since January 2008, (iv) Ucloudlink Group Inc., a company listed on Nasdaq (stock code: UCL. Nasdaq) since June 2020 and (v) VISEN Pharmaceuticals, a company listed on the Stock Exchange (stock code: 2561.HK) since April 1, 2021. She has also served as an independent non-executive director at Digital China Holdings Limited, a company listed on the Stock Exchange (stock code: 861.HK) from September 2010 to June 2024.

Ms. Ni obtained her bachelor's degree in applied economics and business management from Cornell University in 1994 and her Juris Doctor degree from the University of Pennsylvania Law School in 1998. She was admitted to the New York State Bar Association in April 1999.

Dr. Jimmy Zhimin ZHANG was appointed as an independent non-executive Director in April 2025 with effect upon **[REDACTED]**.

Dr. Zhang has more than 20 years of experience and expertise in both large pharmas and start-up companies, in strategy, business development, and operations, as well as in venture investments and board directorship. He is very well connected in the pharma and biotech worlds. Dr. Zhang is a mentor of the biotech incubator QB3 and Bakar Labs at University of California Berkeley and University of California, San Francisco and advises companies in the US, China and Korea on strategy, business development and other operational matters.

Dr. Zhang was the founder, chairman and CEO of gene and cell therapy companies AccuGen Group and Vinta Bio, Inc. (beginning from May 2020), driving their strategy, management, fiscal activity and marketing. From April 2018 to January 2020, he was a venture partner at Lilly Asia Ventures, a healthcare-focused venture capital firm, where he led investments, portfolio management, and startup incubation initiatives. From January 2014 to December 2015, he served as vice president of Transactions at Johnson & Johnson, where he led the transactional and partnership management activities and strategy in Asia Pacific region in pharmaceuticals, medical devices & diagnostics and consumer products, as well as fund relationship and partnership. From April 2012 to January 2014, he served as managing director of MSD Early Investments – Greater China at MSD R&D (China) Co., Ltd. (默沙東研發(中國)有限公司), a pharmaceutical and related healthcare technology company, where he was responsible for business development and venture investments. Dr. Zhang was previously SVP Business Development at Synergenics, a consultant at McKinsey & Company, a legal analyst in the Palo Alto office of Morrison & Foerster, etc..

In addition, Dr. Zhang was a founding member and former Chairman of BayHelix Group. He is also an adjunct professor and master's supervisor at the Yeehong Business School of Shenyang Pharmaceutical University (瀋陽藥科大學亦弘商學院) with his tenure beginning from June 2018.

Dr. Zhang obtained his bachelor' degree in biochemistry from Nanjing University (南京大學) in June 1987. He earned his PhD degree in biomedical sciences from The University of Texas Southwestern Medical Center in Texas in June 1996. In June 2002, he obtained his MBA degree from MIT Sloan School of Management. Dr. Zhang published in Cell, Nature, Neuron, and Journal of Biological Chemistry, and holds multiple patents, authored a Book Chapter "The Emergence and Transformation of China in Biotechnology" in Biotechnology Entrepreneurship 2nd edition published by Elsevier in 2020, and co-authored Harvard Business School case BeiGene and BeiGene Teaching Note, which were published by Harvard Business School Publishing.

Mr. WU Haidong (吳海東) was appointed as an independent non-executive Director on April 2025 with effect upon **[REDACTED]**.

From January 2009 to June 2020, Mr. Wu served at the Ministry of Industry and Information Technology of the PRC (MIIT) (中華人民共和國工業和信息化部), where he held the position of deputy director – general of the consumer goods industry department (消費品工業司副司長). From September 2020 to January 2024, he served as director at China National Biotech Group Company Limited (中國生物技術股份有限公司), a leading state-owned biopharmaceutical enterprise, where he was responsible for strategic planning. Mr. Wu currently serves as vice president of the China Pharmaceutical Enterprises Association (中國醫藥企業管理協會) since May 2021.

Mr. Wu obtained his bachelor's degree from Harbin University of Science and Technology (哈爾濱理工大學).

Dr. YANG Yue (楊悅) was appointed as an independent non-executive Director in April 2025 with effect upon **[REDACTED]**.

Dr. Yang currently serves as professor, principal investigator, doctoral supervisor and disciplinary leader in pharmaceutical regulatory science at Tsinghua University School of Pharmaceutical Sciences (清華大學藥學院) and holds the position of director at the NMPA Key Laboratory for Innovative Drug Research and Evaluation (國家藥品監督管理局創新藥物研究與評價重點實驗室). Additionally, she serves as a professor and adjunct doctoral supervisor at Hainan University (海南大學) and a member of China Center for International Economic Exchanges (CCIEE) (中國國際經濟交流中心). She has served also as an independent non-executive director at SHANGHAI JUNSHI BIOSCIENCES CO., LTD. (上海君實生物醫藥科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688180.SH) and the Stock Exchange (stock code: 1877.HK) since June 2024.

Prior to joining Tsinghua University in October 2020, she was a professor and doctoral supervisor at Shenyang Pharmaceutical University (瀋陽藥科大學) from December 2011 to September 2020. From Shenyang Pharmaceutical University, Dr. Yang obtained her bachelor's degree in pharmaceutical business management major in July 1995, master's degree in pharmacy in July 1998, and doctoral degree in pharmacy in January 2005.

Dr. KANG Cailian (康彩練) was appointed as an independent non-executive Director in April 2025 with effect upon **[REDACTED]**.

Dr. Kang possesses extensive experience spanning both the pharmaceutical and investment sectors. From July 2003 to July 2014, he served as lead reviewer at the Center for Drug Evaluation (CDE) of China's National Medical Products Administration (NMPA), responsible for drug evaluation and approval processes. From September 2014 and July 2021, he held the position of managing director of investment research at Cathy Fortune Investment Co., Ltd. (鴻商資本股權投資有限公司) ("**Cathy Fortune Company**"), overseeing healthcare sector investments. From May 2021 to March 2024, he served as executive president of Huasky Medical Group Co., Ltd. (華氏醫藥集團有限公司), a pharmaceutical R&D company, leading drug development programs. Since May 2024, he has returned to Cathy Fortune Company as managing director of investment research, managing private equity investments in the healthcare sector.

Additionally, Dr. Kang served or currently serves as an independent director at (i) Hunan Warant Pharmaceutical Co., Ltd. (湖南華納大藥廠有限公司), a company listed on the Shanghai Stock Exchange, (stock code: 688799.SH), since October 2021; (ii) China Resources Double-Crane Pharmaceutical Co., Ltd. (華潤雙鶴藥業股份有限公司), a company listed on the Shanghai Stock Exchange, (stock code: 600062.SH), from June 2018 to July 2024; (iii) Hunan Nucien Pharmaceutical Co., Ltd. (湖南南新製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688189.SH), from January 2018 to June 2023.

Dr. Kang holds a bachelor's degree in clinical medicine from from University of Nanhua (南華大學). He obtained his master's and doctoral degree in internal medicine from Tongji Medical University (同濟醫科大學) in June 2003.

General

Save as disclosed in this section and the section headed "Statutory and General Information" in Appendix VI to this document, each of our Directors has confirmed that:

(1) he/she has obtained legal advice referred to under Rule 3.09D of the Listing Rules on April 25 or 28, 2025 and understood his/her obligations as a director of a **[REDACTED]** under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange;

(2) as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules;

(3) he/she does not have any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

(4) he/she does not have any interests in the Shares within the meaning of Part XV of the SFO;

(5) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;

(6) other than being a Director of our Company, he/she does not have any relationship with any other Directors or senior management of our Company or substantial shareholders of our Company; and

(7) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long-distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and

(3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

Save as disclosed in this document, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

(1) there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention to the Shareholders as of the Latest Practicable Date; and

(2) there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets out certain information in respect of the senior management of our Company.

Name[1]	Age	Position	Date of appointment as senior management	Date of joining our Group	Role and responsibilities
Mr. XU Xinsheng (徐新盛)	51	Chairperson of the Board, executive Director and general manager	January 24, 2005	January 24, 2005	Responsible for strategic planning, decision-making, resource coordination, compliance control and shareholder communication
Ms. TANG Yanmin (唐艷旻)	52	Executive Director and co-chief executive officer	October 24, 2020	March 24, 2016	Responsible for strategic planning and business implementation
Mr. WANG Peng (王鵬)	51	Executive Director and co-chief executive officer	April 12, 2025	July 1, 2016	Overseeing the overall research and development of the Group
Mr. YU Wenbin (虞文彬)	43	Executive Director, secretary to the Board, chief financial officer and joint company secretary	March 31, 2022	January 1, 2022	Overseeing the general management center, including the Board secretariat, finance, human resources, procurement, corporate management and legal affairs
Ms. LIU Shuang (劉爽)	49	Vice general manager	April 12, 2025	July 1, 2009	Responsible for leading the research and development in registration-stage pipeline
Dr. JIN Yun (金贇)	45	Vice general manager	March 31, 2022	December 1, 2021	Responsible for leading the research and development in drug discovery phase

Note:

(1) Save as disclosed in "Relationship with Our Single Largest Shareholders Group," each of our senior management members has no relationship with our Directors and other senior management members of our Company as of the Latest Practicable Date.

Mr. XU Xinsheng (徐新盛), see "– Board of Directors – Executive Director" in this section for his biographical details.

Ms. TANG Yanmin (唐艷旻), see "– Board of Directors – Executive Directors" in this section for her biographical details.

Mr. WANG Peng (王鵬), see "– Board of Directors – Executive Directors" in this section for his biographical details.

Mr. YU Wenbin (虞文彬), see "– Board of Directors – Executive Directors" in this section for his biographical details.

Ms. LIU Shuang (劉爽) is our vice general manager responsible for leading the research and development of our Group in registration-stage pipeline. She joined our Group in July 2009 and served as senior vice president of our Group until she was appointed as the current position in April 2025. Ms. Liu also serves as the supervisor of Shanghai Sinotau since its establishment.

She has accumulated nearly 30 years of experience in the pharmaceutical industry. From September 1997 to June 2003, she served as formulation researcher at the China Pharmaceutical Research and Development Center (中國醫藥研究開發中心). Prior to joining our Group, from January 2009 to July 2009, she served as the project management department manager at Dadao Longda (Beijing) Pharmaceutical Science and Technology Development Co., Ltd. (大道隆達(北京)醫藥科技發展有限公司), a pharmaceutical R&D company, overseeing project management and regulatory registration work.

Ms. Liu completed her associate college studies in pharmacy and graduated from Beijing Medical University (北京醫科大學) (now known as Peking University Health Science Center (北京大學醫學部)) in July 1997, and later completed bachelor top-up studies (part-time) in pharmacy and graduated from Peking University Health Science Center in July 2004.

Dr. JIN Yun (金贇) is a deputy general manager responsible for leading the research and development of our Group in drug discovery phase. He joined our Group in December 2021 and served as a senior vice president until he was appointed as a deputy general manager in April 2025. He is also the chief executive officer of Shanghai Sinotau since December 2021.

Dr. Jin has extensive experience in innovative drug discovery and development. From March 2012 to October 2017, he served as principal scientist and project leader at GlaxoSmithKline (Shanghai) R&D Co., Ltd. (葛蘭素史克(上海)醫藥研發有限公司), a pharmaceutical R&D company, where he contributed to innovative drug research programs. Prior to joining our Group, from October 2017 to November 2021, he held multiple leadership roles at Shanghai SIMR Biotechnology Co., Ltd. (上海賽默羅生物科技有限公司), a pharmaceutical R&D company, including director of medicinal chemistry, head of chemistry department and project leader. In these capacities, he managed the medicinal chemistry department and led innovative drug development initiatives. Dr. Jin is also a named inventor on 11 publicly disclosed patents.

Dr. Jin obtained his bachelor's degree in applied chemistry from Tongji University (同濟大學) in June 2002, and his doctoral degree in organic chemistry from Chinese Academy of Sciences, Shanghai Institute of Organic Chemistry (中科院上海有機化學研究所) in January 2008.

General

Save as disclosed in this section, each of our senior management members has confirmed that:

(1) he/she does not hold and has not held any other positions in our Company and any other major subsidiaries of our Company as of the Latest Practicable Date;

(2) other than being a Director and/or a member of our Company's senior management, he/she does not have any relationship with any Directors any other senior management members of our Company or substantial shareholders of our Company;

(3) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and

(4) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long-distance learning or online courses.

JOINT COMPANY SECRETARIES

Mr. YU Wenbin (虞文彬), see "– Board of Directors – Executive Directors" in this section for details.

Ms. AU Wing Sze (區詠詩) was appointed as one of our joint company secretaries on April 12, 2025 with effect upon the **[REDACTED]**. Ms. Au is a manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies. She has over 10 years of experience in the corporate secretarial field. Ms. Au is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She holds a master of corporate governance from Hong Kong Metropolitan University.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Rainbow Capital (HK) Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the **[REDACTED]** and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the **[REDACTED]**.

BOARD COMMITTEES

We have established the following committees on our Board: the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and Strategy Committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

The Company has established the Audit Committee (effective from the **[REDACTED]**) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. KANG Cailian, Dr. Jimmy Zhimin ZHANG and Ms. NI Hong, with Ms. NI Hong serving as the chairperson. Ms. Ni holds the appropriate professional qualifications and accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to the Board, and monitoring the independence of external auditors and evaluating their performance;

- examining the financial information of our Company and reviewing financial reports and statements of our Company;

- examining the financial reporting system, the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to the Board; and

- dealing with other matters that are authorized by the Board.

Our Company does not maintain a supervisory committee and the Audit Committee shall exercise the powers and duties of the supervisory committee as stipulated in the PRC Company Law upon **[REDACTED]**. Please see "Statutory and General Information – Further Information About Our Directors and Substantial Shareholders – 5. Cancellation of Supervisors" in Appendix VI to this document for details.

Remuneration and Appraisal Committee

Our Company has established a remuneration and appraisal committee (effective from the **[REDACTED]**) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Ms. TANG Yanmin, Ms. NI Hong and Dr. YANG Yue, with Dr. Yang serving as the chairperson. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, the following:

- advising the Board on the overall remuneration plan and structure of Directors and senior management and the establishment of transparent formal procedures for determining remuneration policy of our Company;

- examining the criteria of performance evaluation of Directors and the senior management of our Company, conducting performance evaluation and making recommendations to the Board;

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies; and

- dealing with other matters that are authorized by the Board, and if necessary, engaging external experts to provide relevant independent services.

Nomination Committee

Our Company has established a nomination committee (effective from the **[REDACTED]**) with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Jimmy Zhimin ZHANG, Dr. YANG Yue and Mr. XU Xinsheng, with Mr. Xu serving as the chairperson. The primary functions of the Nomination Committee include, but not limited to, the following:

- conducting extensive search and providing to the Board suitable candidates for Directors, general managers and other members of the senior management;

- overseeing the implementation of Board diversity policy; taking into account various factors when determining the composition of the Board, including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure;

- examining the size and composition of the Board and its members in respect of their skills, knowledge, experience and diversity at least once every year, and making recommendations to the Board on any change in Board composition in accordance with our Company's strategies;

- researching and developing standards and procedures for the election of the Board members, general managers and members of the senior management, and making recommendations to the Board; and

- dealing with other matters that are authorized by the Board.

Strategy Committee

Our Company has established the Strategy Committee with effect from the **[REDACTED]**, which consists of three Directors, namely Dr. KANG Cailian, Mr. WU Haidong and Mr. XU Xinsheng, with Mr. Xu serving as the chairperson. The primary functions of the Strategy Committee include, but not limited to, studying and advising on the long term strategy and operation plans of our Company. The Strategy Committee will assist the Board, in conjunction with our senior management, in addressing the overall mission, vision and strategic direction of our Company. Areas of the Strategy Committee's focus will include:

- providing the Board and senior management, as applicable, with input and recommendations with respect to key strategic initiatives;

- assisting management in establishing a strategic planning process;

- identifying and addressing organizational challenges; and

- evaluating strategic alternatives for the Board and senior management.

CORPORATE GOVERNANCE

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the **[REDACTED]**.

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Xu currently performs the roles of the chairperson of our Board and the general manager of our Company. He served as the chief executive officer of our Company since its establishment and was redesignated as the general manager, which functions as the chief executive role of our Company. He has extensive experience in the business operations and management of our Group. He has been the executive Director and/or chairperson of the Company since November 2007. Our Board is of the view that, given his background and experience, personal profile and the roles he holds within our Company as mentioned above, Mr.

Xu is the Director best suited to identify strategic opportunities and guide focus of the Board due to his comprehensive understanding of our business as our general manager. The Board also believes that vesting the roles of both chairman and general manager in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and general manager of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Save as disclosed above, our Directors consider that upon **[REDACTED]**, we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Board Diversity

We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management and corporation management, pharmaceutical R&D, investment, finance, strategic consultancy, patent, law and compliance, lecturing and teaching. They obtained degrees in various majors including pharmacy, applied economics and business management, biochemistry, business administration, etc. In addition, we have taken steps to promote and enhance gender diversity at all levels of our Company, and our Board currently comprises three female Directors and 12 male Directors. Furthermore, our Board has a relatively wide range of ages, ranging from 35 years old to 61 years old. Our Board is of the view that our Board satisfies the Board Diversity Policy.

The Board of Directors is of the view that the Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Company will take opportunities to increase the proportion of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices.

Three out of 15 of our Directors will be female upon **[REDACTED]**, and we have been taking and will continue to take steps to maintain that our Board will have at least one female Director after the **[REDACTED]**. Further, we have been taking and will continue to take steps to promote gender diversity at our Board and management levels. Our board diversity policy provides that our Board should aim to increase the proportion of female members over time after the **[REDACTED]** where possible when selecting and making recommendations on suitable candidates for our Board appointments. Our Company will (i) consider the possibility of appointing female senior management who has the necessary skills and experience; (ii) ensure that gender diversity is promoted in our Group by recruiting staff at middle to senior level; (iii) provide career development and training opportunities to our female staff whom we consider having the suitable experience, skill and knowledge of our operation and business to prepare them with the required attributes and competencies to serve as members of our Board with regards to our strategic needs and the industry in which we operate, such that they will be eligible for managerial and board-level positions in the future; and (iv) identify and select suitable female candidates to become our Board members and such candidates will be reviewed and recommended by our nomination committee to our Board periodically. We are of the view that the above measures will offer greater prospects for securing a pipeline of female candidates to achieve further gender diversity in our Board in the long run.

COMPENSATION OF DIRECTORS AND MANAGEMENT

We offer our executive Directors and senior management members, who are also employees of our Company, emolument in the form of fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairperson of Board committees).

The aggregate amount of remuneration which was paid to our Directors (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) for the financial years ended December 31, 2023 and 2024 were RMB25.0 million and RMB16.0 million, respectively.

It is estimated that the aggregate amount of remuneration (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) payable to Directors for the year ending December 31, 2025 would be approximately RMB6.5 million under arrangements currently in force.

For the financial years ended December 31, 2023 and 2024, there were two and one Directors and/or chief executive among the five highest paid individuals, respectively. The aggregate amount of remuneration (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) which were paid by our Group to our five highest paid individuals (excluding Directors and chief executive officer) for the financial years ended December 31, 2023 and 2024 were RMB9.2 million and RMB9.6 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, and (ii) no compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for the financial years ended December 31, 2023 and 2024.

Except as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Group during the Track Record Period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, see notes 8 and 9 to the Accountant's Report.

RELEVANT CONNECTED PERSONS

The table below sets forth parties who will become our connected persons upon the **[REDACTED]** and the nature of their connection with our Company:

Connected Person	Connected Relationship
Mr. Xu	our executive Director, chairperson of our Board and a member of the Single Largest Shareholders Group
Ms. Qi	a close associate of Mr. Xu and a member of the Single Largest Shareholders Group

We have entered into certain transactions that will constitute our continuing connected transactions after the **[REDACTED]** with the connected person above.

CONTINUING CONNECTED TRANSACTIONS

The following table sets forth a summary of our continuing connected transaction.

Transaction	Category of continuing connected transaction	Applicable Listing Rules	Waiver Sough	Proposed Annual Caps for the Year Ending December 31,		
				2025	2026	2027
Provision of financial assistance	Non-exempt	14A.35, 14A.36, 14A.49, 14A.53 to 14A.59, 14A.90 and 14A.105	Waiver from announcement and independent shareholders' approval requirements	RMB117.60 million	RMB107.53 million	RMB86.40 million

Non-exempt Continuing Connected Transaction

Our Group entered into certain loan agreements with various banks. Mr. Xu and Ms. Qi, provided guarantees over such loans for the benefit of our Group (the "**CP Guarantees**") which applied in our ordinary course of business. As of the Latest Practicable Date, we had an aggregate of approximately RMB200 million outstanding loans and credit lines guaranteed by, among others, Mr. Xu and/or Ms. Qi (the "**CP Guaranteed Loans**"). Among the CP Guaranteed Loans, an aggregate of approximately RMB10 million outstanding loans were not secured by the assets of our Group, and such guarantees are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Among the CP Guaranteed Loans, an aggregate of approximately RMB190 million outstanding loans were secured by the assets of our Group (the "**Non-exempt CP Guaranteed Loans**") and guaranteed by, among others, Mr. Xu and/or Ms. Qi (the "**Non-exempt CP Guarantees**"). The Non-exempt CP Guaranteed Loans will expire between April 2029 to May 2034, with annual interest rates ranging from LPR plus 60 basic point to LPR plus 65 basic point.

Our Directors are of the view that premature replacement or discharge of the CP Guarantees would be impractical and unduly onerous to the Group and would not be in the best interests of our Group and our Shareholders, considering that early replacement or discharge of the CP Guaranteed Loans would require renegotiation of the terms with the relevant banks, and the renegotiation would take considerable time which may affect our normal operation. Therefore, we currently do not intend to release or replace the CP Guarantees before the CP Guaranteed Loans become due.

The CP Guaranteed Loans were entered into to support our Group's daily operation and capital-intensive construction projects, where the banks require customary collateral arrangements, including pledges of corporate assets and personal guarantees provided by the members of our Single Largest Shareholders Group, consistent with prevailing banking practices for similarly structured transactions. Our Company confirms that, save as the GP Guaranteed Loans, no additional credit lines or loans requiring guarantees from the members of our Single Largest Shareholders Group anticipated in the foreseeable future. This arrangement reflects a time-bound financing solution aligned with specific project needs and does not represent an ongoing reliance on shareholder-backed liabilities.

Listing Rules Implications

Among the CP Guaranteed Loans, an aggregate of approximately RMB10 million were not secured by the assets of our Group, and such guarantees are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Given the Non-exempt CP Guarantees are on normal commercial terms but secured by assets of our Group, and will not be released or replaced before the CP Guaranteed Loans become due, thus, the Non-exempt CP Guarantees constitute connected transactions under Chapter 14A of the Listing Rules following the **[REDACTED]**. As the highest of the applicable percentage ratios (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, the Non-exempt CP Guarantees are continuing connected transactions subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.53 of the Listing Rules, we have set annual caps for the maximum amount of Non-exempt CP Guarantees (inclusive of interest and credit lines expected to be drawn) of RMB117.60 million, RMB107.53 million and RMB86.40 million for the three years ending December 31, 2025, 2026 and 2027, respectively. Such maximum amount is calculated based on the balance as at January 1 of each year, the amount of credit lines expected to be draw-down during each year and the repayment schedule for each year.

As required by Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where nature of the transaction requires the agreement to be of a duration longer than three years. The Directors (including the independent non-executive Directors) are of the view that the Non-exempt CP Guarantees were entered into on normal commercial terms and a longer duration of relevant agreements will avoid any unnecessary business interruption and help ensure the long-term stable business development and continuity, and it is

normal business practice for guarantees of loans of similar type to be entered into for such duration. The Directors (including the independent non-executive Directors) are of the view that it is in the interests of the Group and Shareholders as a whole to enter into the agreements in relation to the Non-exempt CP Guarantees with a term longer than three years. The Joint Sponsors are of the view that it is in the normal business practice for this type of agreements to have a term longer than three years.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTION

By virtue of Rule 14A.76(2) of the Listing Rules, Non-exempt CP Guarantees will constitute connected transactions subject to reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Our Directors are of the view that premature replacement or discharge of the CP Guarantees would be impractical and unduly onerous to our Group and would not be in the best interests of our Group and our Shareholders, considering that early replacement or discharge of the CP Guaranteed Loans would require renegotiation of the terms with the relevant banks, and the renegotiation would take considerable time which may affect our normal operation. Therefore, we currently do not intend to release or replace the CP Guarantees before the CP Guaranteed Loans become due.

Notwithstanding that the Non-exempt CP Guarantees technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administration costs to our Company, for the Non-exempt CP Guarantees to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

In addition, given the Non-exempt CP Guarantees were provided prior to the **[REDACTED]** and are disclosed in this document, and potential investors of our Company will participate in the **[REDACTED]** on the basis of such disclosure, our Director consider that compliance with the announcement and the independent Shareholders' approval requirements in respect thereof immediately after the **[REDACTED]** would add unnecessary administrative costs of our Company.

In view of the Non-exempt CP Guarantees, we have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements pursuant to Rule 14A.105 of the Listing Rules, and (ii) the requirement to set a term of three years or less under Rule 14A.52 of the Listing Rules subject to the following conditions:

No Change Without Independent Non-Executive Directors' Approval

No change to the Non-exempt CP Guarantees will be made without the approval of our independent non-executive Directors.

No Change Without Independent Shareholders' Approval

No change to the agreements governing the Non-exempt CP Guarantees will be made without the approval of our independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Non-exempt CP Guarantees in the annual reports of our Company will however continue to be applicable.

Ongoing Reporting and Approvals

We will disclose details relating to the Non-exempt CP Guarantees on an ongoing basis:

(i) the Non-exempt CP Guarantees in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;

(ii) our independent non-executive Directors will review the Non-exempt CP Guarantees annually and confirm in our Company's annual report that the Non-exempt CP Guarantees have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the listed issuer's shareholders as a whole; and

(iii) our Company's auditors will carry out review procedures annually on the Non-exempt CP Guarantees and will provide a letter to our Directors, confirming that the Non-exempt CP Guarantees (a) have been approved by our Board; and (b) were entered into, in all material respects, in accordance with the relevant agreement governing the transactions.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that the Non-exempt CP Guarantees as set out above have been entered into in the ordinary and usual course of business of our Group, on normal commercial terms or terms better to us, that are fair and reasonable and in the interest of us and our Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have reviewed the relevant information prepared and provided by our Company in relation to the continuing connected transactions described in this section. Based on the Joint Sponsors' due diligence, the Joint Sponsors are of the view that the Non-exempt CP Guarantees as set out above have been entered into in the ordinary and usual course of business of our Group, on normal commercial terms or terms better to us, that are fair and reasonable and in the interest of us and our Shareholders as a whole.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

OVERVIEW

As of May 23, 2025, each of the Employee Shareholding Platforms held 1,775,726 Shares, 864,054 Shares, 799,557 Shares, 799,556 Shares and 361,711 Shares, representing approximately 3.01%, 1.46%, 1.35%, 1.35% and 0.61% of the total issued Shares of our Company, respectively. Each of them is managed by Mr. Xu as their respective executive partner. Each of the AIC Parties, namely Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, beneficially held 6,686,142 Shares, 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, representing approximately 11.32%, 2.46%, 1.96%, 1.47%, 1.25%, 0.46% and 0.32% of the total issued Shares of our Company, respectively.

Pursuant to the Concert Party Agreement, the AIC Parties have agreed to act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this document.

Therefore, the Single Largest Shareholders Group, comprising our Employee Shareholding Platforms and the AIC Parties, as a group of Shareholders, were collectively entitled to exercise the voting rights attaching to approximately 27.03% of the total issued Shares of our Company as of May 23, 2025. Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), the Single Largest Shareholders Group will be collectively entitled to exercise the voting rights attaching to approximately **[REDACTED]**% of the total issued Shares of our Company. Accordingly, the Single Largest Shareholders Group, as a group of Shareholders, will not be regarded as our controlling Shareholders, but will remain as our single largest group of shareholders upon completion of the **[REDACTED]**.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Each member of our Single Largest Shareholders Group confirms that, as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Single Largest Shareholders Group and their close associates after the **[REDACTED]**.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the **[REDACTED]**, our Board will consist of 15 Directors comprising five executive Directors, five non-executive Directors and five independent non-executive Directors. For more information, see "Directors and Senior Management." Notwithstanding that our executive Directors, Mr. Xu, Ms. Tang, Wang Peng and Chu Wei are members of our Single Largest Shareholders Group, our Directors are of the view that our Company is capable of maintaining management independence due to the following reasons:

(a) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) we have five independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;

(d) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors which ensures the independence of the Board in making decisions affecting our Company. Specifically, (a) our independent non-executive Directors are not associated with the members of the Single Largest Shareholders Group or their respective close associates; (b) our independent non-executive Directors account for one-third of the Board; and (c) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience and will be able to provide professional and experienced advice to our Company. In conclusion, the Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Shareholders Group which would support our independent management. See "– Corporate Governance Measures" in this section for further information.

Based on the above, our Directors are satisfied that they are able to perform their managerial roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from the Single Largest Shareholders Group after the **[REDACTED]**.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Single Largest Shareholders Group and their respective close associates. On the basis of the following reasons, our Directors consider that our Company will continue to be operationally independent from our Single Largest Shareholders Group and their respective close associates after the **[REDACTED]**:

(a) we are not reliant on trademarks owned by our Single Largest Shareholders Group, or by other companies controlled by our Single Largest Shareholders Group;

(b) we have independent access to our customers and suppliers;

(c) we have sufficient capital, facilities, devices and employees to operate our business independently from our Single Largest Shareholders Group;

(d) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments; and

(e) none of our Single Largest Shareholders Group or their respective close associates have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Shareholders Group.

Financial Independence

Mr. Xu and Ms. Qi, as Mr. Xu's close associate, provided guarantees over certain loans for the benefit of our Group (the "**CP Guarantees**") which applied in our ordinary course of business. As of the Latest Practicable Date, we had an aggregate of approximately RMB200 million outstanding loans and credit lines guaranteed by, among others, Mr. Xu and/or Ms. Qi (the "**CP Guaranteed Loans**").

Our Directors are of the view that premature replacement or discharge of the CP Guarantees would be impractical and unduly onerous to the Group and would not be in the best interests of our Group and our Shareholders, considering that early replacement or discharge of the CP Guaranteed Loans would require renegotiation of the terms with the relevant banks, and the renegotiation would take considerable time which may affect our normal operation. Therefore, we currently do not intend to release or replace the CP Guarantees before the CP Guaranteed Loans become due.

Notwithstanding the above, our Directors are of the view that we are financially independent of our Single Largest Shareholders Group and/or their close associates for the following reasons:

(1) we have sufficient capital to operate our business independently. As of March 31, 2025, our cash and cash equivalent, short-term time deposit and financial assets at FVTPL in aggregate amounted to approximately RMB1,170,876,000. We are capable of obtaining, if necessary, financing from Independent Third Parties banks without relying on any guarantee or security provided by our Single Largest Shareholders Group and/or their close associates. In particular, as of March 31, 2025, we have obtained RMB100 million credit lines and approximately RMB34.6 million loan from independent third-party commercial banks without any assistance, guarantee or security from our Single Largest Shareholders Group. Such loans from independent commercial banks can be used as our working capital, and are sufficient to cover the CP Guarantees. Having considered that (i) we have sufficient capital to operate our business and (ii) we are capable of obtaining substantial amount of credit lines and loans on normal commercial terms without any assistance, guarantee or security from our Single Largest Shareholders Group, we believe that we are not financially reliant on our Single Largest Shareholders Group; and

(2) we have an independent financial system and make financial decisions according to our Group's own business needs independently. We have internal control and accounting systems and an independent finance department for discharging the treasury function. None of our Single Largest Shareholders Group and/or their close associates interferes with our use of funds.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently of, and do not place undue reliance on, our Single Largest Shareholders Group and their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE MEASURES

Our Company and Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Single Largest Shareholders Group:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of their respective associates has a material interest, the relevant Single Largest Shareholders Group or associates will not vote on the relevant resolutions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with our Single Largest Shareholders Group or any of their respective associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Single Largest Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) our Single Largest Shareholders Group will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense;

(g) we have appointed Rainbow Capital (HK) Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(h) we have established our audit committee, nomination committee and remuneration and appraisal committee with written terms of reference in compliance with the Listing Rules and the Code on Corporate Governance and Corporate Governance Report in Appendix 14 to the Listing Rules.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Single Largest Shareholders Group, and to protect our minority Shareholders' interests after the **[REDACTED]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** and without taking into account any H Shares which may be issued pursuant to the exercise of the **[REDACTED]**, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/nature of interest	Number of Shares held as of May 23, 2025	Approximate percentage of shareholding in the total issued share capital of our Company as of May 23, 2025	Class and Number of Shares to be held upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]
Mr. Xu[2][3][4][5]	Beneficial owner; interests in controlled corporations; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	**[REDACTED]**% **[REDACTED]**%	**[REDACTED]**%
Xue Fei[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	**[REDACTED]**% **[REDACTED]**%	**[REDACTED]**%
Chu Wei[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	**[REDACTED]**% **[REDACTED]**%	**[REDACTED]**%
Liu Shuang[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	**[REDACTED]**% **[REDACTED]**%	**[REDACTED]**%
Ms. Tang[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	**[REDACTED]**% **[REDACTED]**%	**[REDACTED]**%
Qi Hui[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	**[REDACTED]**% **[REDACTED]**%	**[REDACTED]**%

Name of Shareholder	Capacity/nature of interest	Number of Shares held as of May 23, 2025	Approximate percentage of shareholding in the total issued share capital of our Company as of May 23, 2025	Class and Number of Shares to be held upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]
Wang Peng[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares 7,981,339 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
Jiangsu Jiequan Chengda Equity Investment Center (Limited Partnership) (江蘇傑泉成達股權投資中心(有限合夥)) ("**Jiangsu Jiequan**")[6]	Beneficial owner	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
China Life (Jiangsu) Equity Investment Co., Ltd. (國壽(江蘇)股權投資有限公司) ("**China Life Jiangsu**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
China Life Chengda (Shanghai) Healthcare Equity Investment Management Co., Ltd. (國壽成達(上海)健康醫療股權投資管理有限公司) ("**China Life Chengda Shanghai**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
China Life Equity Investment Co., Ltd. (國壽股權投資有限公司) ("**China Life Equity Investment**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
China Life Healthcare Industry Investment Co., Ltd. (國壽健康產業投資有限公司) ("**China Life Healthcare Industry Investment**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
China Life Investment Insurance Asset Management Co., Ltd. (國壽投資保險資產管理有限公司) ("**China Life Investment Insurance**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%
China Life Insurance (Group) Co., (中國人壽保險(集團)公司) ("**China Life Insurance Group**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares 2,959,381 H Shares	[REDACTED]% [REDACTED]%	[REDACTED]%

Name of Shareholder	Capacity/nature of interest	Number of Shares held as of May 23, 2025	Approximate percentage of shareholding in the total issued share capital of our Company as of May 23, 2025	Class and Number of Shares to be held upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]
CITIC Securities Company Limited ("**CITIC Securities Company**")[7]	Interests in controlled corporations	5,839,403 Unlisted Shares	9.89%	2,635,145 Unlisted Shares	**[REDACTED]**%	**[REDACTED]**%
				3,204,258 H Shares	**[REDACTED]**%	
CITIC GoldStone Investment Co., Ltd. (中信金石基金管理有限公司) ("**CITIC GoldStone Investment**")[7]	Interests in controlled corporations	5,270,291 Unlisted Shares	8.93%	2,635,145 Unlisted Shares	**[REDACTED]**%	**[REDACTED]**%
				2,635,145 H Shares	**[REDACTED]**%	
GoldStone New Materials Fund for Manufacturing Transformation and Upgrading (Limited Partnership) (金石製造業轉型升級新材料基金(有限合夥)) ("**GoldStone New Materials Fund**")[7]	Beneficial owner	4,552,894 Unlisted Shares	7.71%	2,276,447 Unlisted Shares	**[REDACTED]**%	**[REDACTED]**%
				2,276,447 H Shares	**[REDACTED]**%	
ZHANG Yingjie (張英傑) ("**Dr. Zhang**")[8]	Beneficial owner; interests in controlled corporations	4,458,114 Unlisted Shares	7.55%	1,137,813 Unlisted Shares	**[REDACTED]**%	**[REDACTED]**%
				3,320,301 H Shares	**[REDACTED]**%	
Shenzhen Wuming Investment Management Co., Ltd. (深圳物明投資管理有限公司) ("**Shenzhen Wuming Investment**")[8]	Interests in controlled corporations	3,521,180 Unlisted Shares	5.96%	669,346 Unlisted Shares	**[REDACTED]**%	**[REDACTED]**%
				2,851,834 H Shares	**[REDACTED]**%	

Notes:

(1) The calculation is based on the total number of 24,582,400 Unlisted Shares in issue and **[REDACTED]** H Shares in issue upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) Mr. Xu beneficially holds 6,686,142 Shares.

(3) Beijing Sinotau Juxin, Beijing Sinotau Juli, Tianjin Sinotau Juzhi, Tianjin Sinotau Juneng and Beijing Sinotau Juhui, each being an Employee Shareholding Platform, holds 1,775,726 Shares, 864,054 Shares, 799,557 Shares, 799,556 Shares and 361,711 Shares, respectively. Each of them is managed by Mr. Xu as their respective executive partner.

As such, under the SFO, Mr. Xu is deemed to be interested in the 4,600,604 Shares held by Beijing Sinotau Juxin, Beijing Sinotau Juli, Tianjin Sinotau Juzhi, Tianjin Sinotau Juneng and Beijing Sinotau Juhui in aggregate.

(4) Each of Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng beneficially holds 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, respectively.

(5) Pursuant to the Concert Party Agreement entered into among Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng on July 20, 2020, they have agreed to act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this document. As such, each of Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng is deemed to be interested in the Shares the other is interested in by virtue of the SFO.

(6) The executive partner of Jiangsu Jiequan is China Life Jiangsu, which was wholly-owned by China Life Chengda Shanghai, which was in turn wholly-owned by China Life Equity Investment. China Life Equity Investment was wholly-owned by China Life Healthcare Industry Investment, which was wholly-owned by China Life Investment Insurance, which was in turn wholly-owned by China Life Insurance Group, a stated-owned company owned as to 90% and 10% by Ministry of Finance of the PRC (中華人民共和國財政部) and National Council for Social Security Fund, PRC (全國社會保障基金理事會), respectively.

As such, under the SFO, each of China Life Jiangsu, China Life Chengda Shanghai, China Life Equity Investment, China Life Healthcare Industry Investment, China Life Investment Insurance and China Life Insurance Group is deemed to be interested in the Shares held by Jiangsu Jiequan.

(7) GoldStone New Material Fund beneficially holds 4,552,894 Shares and its executive partner is CITIC GoldStone Investment, which is a wholly-owned subsidiary of CITIC Securities Company, a company whose shares are listed on the Stock Exchange (stock code: 6030). CITIC Securities Investment Ltd. (中信證券投資有限公司) ("**CITIC Securities**") beneficially holds 569,112 Shares and it is wholly-owned by CITIC Securities Company. Maotai GoldStone (Guizhou) Bio-technology Industry Fund Limited Partnership (Limited Partnership) (茅台金石(貴州)生物科技產業基金合夥企業(有限合夥)) ("**Maotai GoldStone Fund**") beneficially holds 717,397 Shares. The executive partner of Maotai GoldStone Fund is CITIC GoldStone Investment.

As such, under the SFO, CITIC GoldStone Investment is deemed to be interested in the Shares held by GoldStone New Material Fund and Maotai GoldStone Fund and CITIC Securities Company is deemed to be interested in the Shares held by CITIC Securities, GoldStone New Material Fund and Maotai GoldStone Fund in aggregate.

(8) Dr. Zhang beneficially holds 936,934 Shares. Each of Shenzhen Wuming Futian Healthcare Industry Investment L.P. (Limited Partnership) (深圳市物明福田健康產業投資合夥企業(有限合夥)) ("**Wuming Futian**"), Shenzhen Mingde Weixin No. 9 Investment L.P. (Limited Partnership) (深圳市明德惟馨玖號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 9**"), Shenzhen Wuming Boji Healthcare Industry Investment L.P. (Limited Partnership) (深圳市物明博濟醫療健康產業投資合夥企業(有限合夥)) ("**Wuming Boji**"), Shenzhen Mingde Weixin No. 1 Investment L.P. (Limited Partnership) (深圳市明德惟馨壹號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 1**"), Shenzhen Mingde Weixin No. 7 Investment L.P. (Limited Partnership) (深圳市明德惟馨柒號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 7**") and Jiaxing Weixin Yitian Equity Investment L.P. (Limited Partnership) (嘉興惟馨益田股權投資合夥企業(有限合夥)) ("**Jiaxing Weixin**") holds 1,133,459 Shares, 964,114 Shares, 725,634 Shares, 262,268 Shares, 230,470 Shares and 205,235 Shares, respectively. The executive partner of each of Wuming Futian, Mingde Weixin No. 9, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is Shenzhen Wuming Investment, a company which is ultimately controlled by Dr. Zhang. The executive partner of Wuming Boji is Shenzhen Wuming Boji Equity Investment Management (L.P.) (Limited Partnership) (深圳市物明博濟股權投資管理合夥企業(有限合夥)), whose executive partner is Shenzhen Wuming Investment.

As such, under the SFO, each of Dr. Zhang and Shenzhen Wuming Investment is deemed to be interested in the Shares held by Shenzhen Wuming Futian, Shenzhen Mingde Weixin No. 9, Shenzhen Wuming Boji, Shenzhen Mingde Weixin No. 1, Shenzhen Mingde Weixin No. 7 and Jiaxing Weixin in aggregate.

SUBSTANTIAL SHAREHOLDERS

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company, see "Further Information about Our Directors and Substantial Shareholders – 1. Disclosure of Interests" in Appendix VI to this document.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), without taking into account the **[REDACTED]** that may be taken up under the **[REDACTED]**, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

This section presents certain information regarding our share capital prior to and upon the completion of the **[REDACTED]**.

BEFORE THE [REDACTED]

As of May 23, 2025, the registered share capital of our Company was RMB59,048,614, comprising 59,048,614 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the **[REDACTED]** and conversion of the Unlisted Shares into H Shares, assuming the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
Unlisted Shares in issue*(note)*	24,582,400	**[REDACTED]**%
H Shares to be converted from Unlisted Shares*(note)*	34,466,214	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.0%**

Immediately upon completion of the **[REDACTED]** and conversion of the Unlisted Shares into H Shares, assuming the **[REDACTED]** is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
Unlisted Shares in issue*(note)*	24,582,400	**[REDACTED]**%
H Shares to be converted from Unlisted Shares*(note)*	34,466,214	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued pursuant to the exercise of **[REDACTED]** in full	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.0%**

Note: For details of the identities of the Shareholders whose Shares will be converted into H Shares upon **[REDACTED]**, see "History, Development and Corporate Structure – Capitalization of Our Company" in this document.

SHARE CLASSES

Upon completion of the **[REDACTED]** and conversion of 34,466,214 Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

Unlisted Shares and H Shares are regarded as one class of shares under our Articles of Association, and Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our Shares are to be declared and paid by us in Hong Kong dollars or Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not listed or traded on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided that such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and the filing procedure with the CSRC shall have completed. The **[REDACTED]** of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the **[REDACTED]** of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register of members. As any **[REDACTED]** of additional Shares after our initial **[REDACTED]** on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for **[REDACTED]** at the time of our initial **[REDACTED]** in Hong Kong.

No class Shareholder voting is required for the **[REDACTED]** and **[REDACTED]** of the converted Shares on the Hong Kong Stock Exchange. Any application for **[REDACTED]** of the converted Shares on the Hong Kong Stock Exchange after our initial **[REDACTED]** is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register of members maintained in Hong Kong and instruct the **[REDACTED]** of members to issue H Share certificates. Registration on

our H Share register of members will be conditional on (a) our **[REDACTED]** lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Listing Rules, the **[REDACTED]** in force from time to time. Until the converted shares are re-registered on our H Share register of members, such Shares would not be **[REDACTED]** as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within one year from the **[REDACTED]**.

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines on Application for "Full Circulation" of Unlisted Shares of H Share Companies announced by the CSRC and latest amended on 10 August 2023, the shareholders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited (the "**CSDC**"). Further, the H Share Company should submit a report on the relevant circumstances to the CSRC within 15 days of the completion of the re-registration of the shares involved in the application with CSDC.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Appendix V – Summary of Articles of Association."

The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountant's Report included in Appendix I to this document. Our historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRSs, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section. Unless the context otherwise requires, historical financial information in this section is described on a consolidated basis.

The discussion and analysis set forth in this section contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Our actual results may differ significantly from those projected. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections headed "Risk Factors" and "Business" and elsewhere in this document. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this document may be due to rounding.

OVERVIEW

We are a front-runner and leader in the radiopharmaceutical market in China dedicated to the development and commercialization of radiopharmaceuticals with the potential to be first-to-market in China, first-in-class or best-in-class. According to CIC, we are the first in China to (i) obtain marketing approval for an innovative radiopharmaceutical; (ii) obtain manufacturing approval for an innovative radiopharmaceutical as a MAH; and (iii) complete a registrational clinical trial for a therapeutic radioligand with an NDA accepted by the NMPA.

In 2023 and 2024, we recorded revenue of RMB10.2 million and RMB44.1 million, respectively. We recorded net loss of RMB309.2 million and RMB156.1 million in 2023 and 2024, respectively. We expect to incur significant amount of expenses and operating losses for at least the next several years as we further our preclinical research efforts, continue the clinical development, and seek regulatory approvals for our product candidates before launching these products to the market. Subsequent to the **[REDACTED]**, we expect to also incur costs associated with operating as a public company. We expect that our financial performance will fluctuate periodically due to the development status of our product candidates, regulatory approval timeline and commercialization of our future approved drugs.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which are outside of our control, including the following.

General Factors

Our business and operating results are affected by general factors affecting the global and China radiopharmaceutical market, which include:

- relevant laws and regulations, governmental policies and initiatives affecting the global and China radiopharmaceutical markets and the pharmaceutical industries;
- growth and competition environment of the global and China radiopharmaceutical markets and the pharmaceutical industries, and in particular, the therapeutic and diagnostic areas we focus on; and
- political, economic and social evolvements of different local markets.

Company Specific Factors

Our Ability to Successfully Develop and Commercialize Our Product Candidates

Our business and results of operations are dependent on our ability to successfully develop and commercialize our product candidates. With strategic foresight and deep expertise, we have built a comprehensive and differentiated pipeline of synergistic assets, including one commercialized product, XTR005 (^{18}F-Florbetaben Injection) under the trade name 歐韋寧®, and 14 product candidates at various development stages, each with the potential to be first-to-market in China, first-in-class, or best-in-class. For more details, see "Business – Overview of Our Pipeline."

We expect that our revenue will continue to grow along with our enhanced marketing and promotion efforts for our commercialized products, our ongoing investments in research and development to advance clinical-stage product candidates and expand therapeutic indications, as well as our endeavors to commercialize additional product candidates in the future. The performance of our business and operations will depend on the market acceptance and sales performance of the commercialized products. Failure to achieve sufficient market acceptance could hinder our ability to generate the expected revenue.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, particularly cost of sales, research and development expenses, administrative expenses, as well as selling and distribution expenses.

In 2023 and 2024, our cost of sales mainly consisted of (i) employee benefit expenses; (ii) promotion expenses, (iii) technical service fee; and (iv) material costs. We recorded cost of sales of RMB32.5 million and RMB40.7 million, respectively. Our cost of sales during the Track Record Period primarily arose for the provision of our marketing services and CRO/CDMO services, as well as the sales of goods, including pharmaceutical products and radionuclides. We plan to continue expanding our business scale, which will enable us to reduce costs through economies of scale and further enhance our profitability.

Research and development activities are central to our business model. During the Track Record Period, our research and development expenses mainly consisted of (i) preclinical and clinical trial expenses; (ii) employee benefit expenses; (iii) material costs; (iv) depreciation and amortization; (v) patent fees; and (vi) licensing fees. In 2023 and 2024, our research and development expenses amounted to RMB297.0 million and RMB228.0 million, respectively. The fluctuations in our research and development expenses during the Track Record Period were primarily due to the evolving progress of preclinical studies, IITs and clinical trials of our different product candidates. We expect our research and development expenses to increase for the foreseeable future as we move our product candidates, either from preclinical to clinical stage, or further to more advanced clinical trials, and as we continue to support the clinical trials of our product candidates for indication expansion.

During the Track Record Period, our administrative expenses mainly consisted of (i) employee benefit expenses; (ii) depreciation and amortization; (iii) professional service fees; and (iv) utilities and office expenses. In 2023 and 2024, our administrative expenses amounted to RMB83.9 million and RMB106.6 million, respectively.

During the Track Record Period, our selling and distribution expenses mainly consisted of (i) employee benefit expenses; (ii) marketing, promotion and advertising expenses; and (iii) office and travel expenses. In 2023 and 2024, our selling and distribution expenses amounted to RMB13.9 million and RMB24.4 million, respectively. We anticipate that our selling and distribution expenses will continue to increase as we continue to expand sales of our commercialized products and prepare for the commercialization of our product candidates.

We expect our cost structure to evolve as we continue to develop and expand our business. As the clinical trials of our product candidates continue to progress and as we continue to enrich our pipeline, we expect to incur additional costs in relation to preclinical and clinical studies, raw materials procurements, headcount expansion and manufacturing, among other things. Additionally, we anticipate increasing legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we primarily funded our operations through a combination of equity and debt financing and cash generated from our business operations. Going forward, as we continue to expand our business and advance the development and commercialization of our product candidates, we expect to fund our operations primarily through revenue generated from the sales of our commercialized products, existing cash and cash equivalents, bank loans, time deposits, financial assets at FVTPL and net **[REDACTED]** from the **[REDACTED]**.

However, with the continuing growth of our business and expansion of our pipeline, additional funding may be required through public or private equity offerings, debt financing, or other sources. Any changes in our ability to secure adequate funding could impact our cash flow and overall financial performance.

Our Collaboration Arrangements

We believe that our collaboration arrangements are critical to our success. During the Track Record Period, we have entered into collaboration agreements in connection with the development and commercialization of a number of pipeline assets. We are required to pay certain milestone and royalty payments based on terms of these agreements. In addition, we entered into a series of out-licensing agreements with Duality Biotherapeutics, Inc., and generated revenue in relation to these agreements during the Track Record Period. We are eligible to receive additional payments upon the achievement of specified development, regulatory and sales-based milestones. Upon commercialization, we will also be eligible to receive royalties on net sales. For more details, please see "Business – Collaboration Arrangements." Moreover, Lantheus acquired Cerveau and Meilleur for upfront payments, additional development and commercial milestone payments and royalty payments. Cerveau and Meilleur hold global rights to develop and commercialize MK-6240 and NAV-4694, respectively. See "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals." The timing and amounts of milestone payments and royalties differ by agreement and depend on the achievement of various milestones. Moreover, following the success of our existing out-license and collaboration partnerships, we may enter into new partnerships and collaborations depending on our development strategies. These factors will influence, and may result in fluctuations in, our revenue, profit and results of operations from period to period.

BASIS OF PREPARATION

We were incorporated as a limited liability company registered in the PRC on January 24, 2005. On March 28, 2016, we were converted into a joint stock company with limited liability. During the Track Record Period, we were engaged in the research and development of radiopharmaceuticals. The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention, except for financial investments at fair value through profit or loss and redemption liabilities on equity shares which have been measured at fair value.

The historical financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION

The historical financial information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by the IASB. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Our material accounting policies and significant judgments and estimates are summarized below. See Note 2.3 and Note 3 to the Accountants' Report in Appendix I to this document for a description of our material accounting policies, and significant judgments and estimates.

Material Accounting Policies

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which our Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between our Group and the customer at contract inception. When the contract contains a financing component which provides our Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customers, generally on acceptance by the customers.

Some contracts for the sale of goods provide customers with rights of return, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which our Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

(b) Licenses of intellectual property

Upfront payments

Upfront non-refundable payments for licenses are evaluated to determine if they are distinct from the other performance obligations identified in the arrangements. For the licenses determined to be distinct, our Group recognizes revenues from non-refundable up-front fees allocated to the licenses at a point in time, when the licenses are transferred to the licensee and the licensee is able to use and benefit from the licenses.

Milestone payments

At the inception of each arrangement that includes development milestone payments, our management evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. Our management will assess whether the variable consideration is fully constrained for each period during the Track Record Period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognized is not expected to occur and allocated to the separate performance obligations. Due to the inherent uncertainty with the approval process, regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the Licenses that are deemed to be the predominant items to which the royalties relate, our Group recognizes revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalties have been allocated is satisfied (or partially satisfied).

(c) CRO/CDMO services

The CRO/CDMO services are integrated services including project management, drug manufacturing, development, optimization, trial production, and other relevant services. The duration of the contracts ranges from months to year. The contracts contain multiple deliverable units, which are generally in the form of technical laboratory reports, samples and/or products for manufacturing, and each deliverable unit has an individual selling price specified within the contract. Our Group has assessed whether each deliverable is distinct to determine the performance obligation within the contract. Any deliverable in the contract is identified as a performance obligation if the deliverable is distinct. If the deliverables are highly interdependent or highly interrelated, those deliverables are not separately identifiable, and are combined into a single performance obligation.

(d) Marketing services

Revenue from marketing services is recognized over time, using an output method to measure progress towards the units services transferred to the customer.

Revenue from other sources

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Fair value measurement

We measure our financial investments at fair value through profit or loss and financial liabilities at fair value through profit or loss at fair value at the end of each of the Track Record Period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by our Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Accountants' Report in Appendix I to this document are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Accountants' Report on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Track Record Period.

Impairment of Non-Financial Assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g. a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each of the Track Record Period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Intangible Assets (Other Than Goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortized on the straight-line basis over its estimated useful lives of 3 to 10 years. The estimated useful life of software is determined by considering the period of the economic benefits to our Group as well as by referring to the industry practice.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which we have applied the practical expedient of not adjusting the effect of a significant financing component, we initially measure a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which we have applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Our business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that our Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from our consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- we have transferred our rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or have entered into a pass-through arrangement, we evaluate if, and to what extent, we have retained the risk and rewards of ownership of the asset. When we have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, we continue to recognize the transferred asset to the extent of our continuing involvement. In that case, we also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

Impairment of Financial Assets

We recognize an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that we expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Track Record Period, we assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. We consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

We consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, we may also consider a financial asset to be in default when internal or external information indicates that we are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by us.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach under certain circumstances as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables that do not contain a significant financing component or when we apply the practical expedient of not adjusting the effect of a significant financing component, we apply the simplified approach in calculating ECLs. Under the simplified approach, we do not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. We have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Government Grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Share-Based Payments

We operate restricted share unit scheme and share option scheme. Our employees (including our Directors) receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined based on the backsolve method of the market approach and equity value allocation model or the market-based valuation technique, further details of which are given in Note 30 to the Accountants' Report in Appendix I to this document.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each of the Track Record Period until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

Significant Accounting Judgements and Estimates

Judgements

Research and development costs

Development expenses incurred on our product pipelines are capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalized requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Track Record Period, all expenses incurred for research and development activities were expensed when incurred.

Estimation Uncertainty

Leases – Estimating the incremental borrowing rate

Our Group cannot readily determine the interest rate implicit in a lease, and therefore, we use an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that our Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what our Group "would have to pay", which requires estimation when no observable

rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). Our Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimation of fair value of redemption liabilities on equity shares

The fair value of the financial instruments with preferred rights issued by our Company (the "**Redemption Liabilities**") is determined based on the backsolve method of the market approach. The backsolve method of the market approach was used to determine our total equity value and then equity allocation based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of the redemption liabilities. We classified the fair value of the redemption liabilities as Level 3. The fair value of the redemption liabilities were RMB2,629.5 million and RMB3,094.3 million at December 31, 2023 and 2024, respectively. Further details are included in Note 26 to the Accountants' Report in Appendix I to this document.

Impairment of non-financial assets (other than goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Track Record Period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. There was no deferred tax assets recognized for tax losses of December 31, 2023 and 2024. Further details are contained in Note 28 to the Accountants' Report in Appendix I to this document.

Share-based payment expense

We have granted restricted shares and share options to our employees. We have engaged an independent valuer to determine the fair value of the options granted to employees, which is expensed over the vesting periods. Unobservable inputs such as the risk-free rate, volatility and discount for lack of marketability, etc. are used in determining the fair value of the share-based payment expense.

DESCRIPTION OF MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Revenue	10,232	44,064
Cost of sales	(32,535)	(40,686)
Gross profit/(loss)	(22,303)	3,378
Other income and gains	137,282	100,980
Selling and distribution expenses	(13,854)	(24,353)
Impairment losses on trade receivables, net	(285)	(1,257)
Administrative expenses	(83,857)	(106,591)
Research and development expenses	(296,988)	(227,982)
Change in fair value of redemption liabilities on equity shares	21,610	135,290
Share of losses of associates	(6,344)	(8,111)
Other expenses	(460)	(341)
Finance costs	(24,652)	(10,732)
Loss before tax	**(289,851)**	**(139,719)**
Income tax expense	(19,383)	(16,397)
Loss for the year	**(309,234)**	**(156,116)**
Attributable to:		
Owners of the parent	(297,101)	(149,286)
Non-controlling interests	(12,133)	(6,830)
	(309,234)	**(156,116)**

Revenue

During the Track Record Period, we generated revenue from (i) sales of goods, mainly including pharmaceutical products and radionuclides; (ii) licensing income, primarily including the upfront payments and milestone payments we received from Duality Biotherapeutics, Inc. For more details, please see "Business – Collaboration Arrangements;" (iii) provision of CRO/CDMO services to our customers; and (iv) provision of marketing services for a third-party pharmaceutical product.

The following table sets forth a breakdown of our revenue for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Sale of goods	881	3,742
Licensing income	3,248	6,703
CRO/CDMO services	952	27,160
Marketing services	5,151	6,459
Total	**10,232**	**44,064**

Since 2025, we recognized revenue from the sales of XTR005 (^{18}F-Florbetaben Injection) under the trade name 歐韋寧®.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) employee benefit expenses relating to salaries, bonus and other welfare for certain personnel; (ii) promotion expenses in relation to our marketing services; (iii) technical service fee for our CRO/CDMO services, and (iv) material costs associated with our sales of goods and the provision of CRO/CDMO services.

The following table sets forth a breakdown of our cost of sales for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Employee benefit expenses	17,855	15,484
Promotion expenses	6,901	7,792
Technical service fee	1,524	7,383
Material costs	232	4,515
Others	3,126	5,628
Subtotal	*29,638*	*40,802*
Write-off of inventories	*2,897*	*(116)*
Total	**32,535**	**40,686**

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

During the Track Record Period, our gross profit or loss represents our revenue less our cost of sales. Our gross profit/loss margin represents our gross profit/loss as a percentage of our revenue. Our gross loss amounted to RMB22.3 million in 2023 and our gross profit amounted to RMB3.4 million in 2024, with a gross loss margin of 218.0% in 2023 and a gross profit margin of 7.7% in 2024.

To enable us to proactively invest in and establish a foothold in the radiopharmaceutical market in China, as well as to build connections with customers and promote the development of clinical activities, we established our own sales and marketing team. As we are at a relatively early stage of commercialization, we have leveraged our sales and marketing team to provide marketing services for a third-party pharmaceutical product. We believe that offering such marketing services has strengthened our sales and marketing team while also enhancing customer awareness and brand recognition. However, given the significant investment involved in the early stage, including manpower and other related costs, we recorded gross loss of RMB22.3 million and a gross loss margin of 218.0% in 2023.

We recorded significant revenue growth in 2024, primarily due to (i) the increase in purchase orders for our CRO/CDMO services, which boosted revenue from the provision of CRO/CDMO services, and (ii) an increase in licensing income as we received upfront payments and milestone payments from our out-licensing activities. As there were no associated costs of sales for our out-licensing activities, our gross profit and gross margin improved substantially.

Other Income and Gains

During the Track Record Period, other income and gains mainly consisted of (i) gains on disposal of equity investments, representing payments we received in relation to the disposal of our equity investment in Cerveau and Meilleur in 2023 and 2024, respectively; (ii) bank interest income, primarily representing interest income on our bank deposits; (iii) government grants, representing subsidies granted by the PRC local government authorities to us as incentives for our research and development activities and our establishment of manufacturing facilities; (iv) fair value gains on financial assets at fair value through profit or loss ("**FVTPL**"), net; and (v) gains on disposal of financial assets at FVTPL, net.

The following table sets forth a breakdown of our other income and gains for the years indicated.

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Other income		
Bank interest income	15,682	23,283
Government grants	4,689	1,438
Others	49	1,046
Subtotal	*20,420*	*25,767*
Gains		
Fair value gains on financial assets at FVTPL, net	–	706
Gains on disposal of financial assets at FVTPL, net	–	1,417
Gains on disposal of equity investments	116,862	73,090
Subtotal	*116,862*	*75,213*
Total	**137,282**	**100,980**

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) preclinical and clinical trial expenses for our product candidates, primarily in relation to the engagement of CROs and other service providers; (ii) employee benefit expenses relating to salaries, bonus and other welfare for our research and development personnel; (iii) material costs incurred in the course of our R&D activities; (iv) depreciation and amortization; (v) patent fees mainly in relation to patent application; (vi) licensing fees, representing payments to our collaboration partners; and (vii) others, mainly comprising equipment maintenance expenses, and other miscellaneous expenses.

The following table sets forth a breakdown of our research and development expenses for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Preclinical and clinical trial expenses	123,891	86,677
Employee benefit expenses	77,912	77,044
Material costs	43,319	30,040
Depreciation and amortization	20,174	21,261
Patent fees	1,895	2,470
Licensing fees	18,276	719
Others	11,521	9,771
Total	**296,988**	**227,982**

Our research and development costs attributable to our Core Products were RMB152.9 million and RMB96.6 million in 2023 and 2024, respectively, accounting for 51.4% and 42.3% of our total research and development expenses, and 38.7% and 26.9% of our total operating expenses (i.e. research and development expenses, selling and distribution expenses and administrative expenses) in the respective period.

The following table sets forth the clinical development expenses (namely, research and development expenses, excluding employee benefit expenses and depreciation and amortization) attributable to the Core Products during the Track Record Period by development stage:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Preclinical and IIT	1,983	14
Phase I	3,671	5,536
Phase II	40,098	15,153
Phase III	67,799	37,915
Total	**113,551**	**58,618**

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee benefits expenses mainly relating to salaries, bonus and other welfare for our administrative personnel; (ii) depreciation and amortization related to offices, equipment and other assets which were used for administrative purpose; (iii) professional service fees mainly incurred for legal and auditing services in connection with the proposed A share listing application and in the ordinary course of business; (iv) utilities and office expenses incurred for our administrative purpose; (v) tax and surcharges; and (vi) others, mainly including travel expenses, rental expenses and other miscellaneous expenses.

The following table sets forth a breakdown of our administrative expenses for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Employee benefit expense	60,566	64,392
Depreciation and amortization	6,487	17,606
Professional service fees	8,965	10,718
Utilities and office expenses	4,302	5,027
Tax and surcharges	1,338	2,274
Others	2,199	6,574
Total	**83,857**	**106,591**

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses consisted of (i) employee benefits expenses, mainly relating to salaries, bonus and other welfare for our selling and marketing personnel associated with the sales, marketing and promotion of our products; (ii) marketing, promotion and advertising expenses associated with our products; (iii) office and travel expenses incurred for our selling and marketing activities, and (iv) others, mainly including entertainment expenses and other miscellaneous expenses.

The following table sets forth a breakdown of our selling and distribution expenses for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Employee benefit expenses	4,678	15,464
Marketing, promotion and advertising expenses	7,290	5,194
Office and travel expenses	398	1,238
Others	1,488	2,457
Total	**13,854**	**24,353**

Change in Fair Value of Redemption Liabilities on Equity Shares

We recorded redemption liabilities of equity shares during the Track Record Period. For details, please see "– Indebtedness – Redemption Liabilities on Equity Shares". As a result, we recorded fair value gains of redemption liabilities on equity shares of RMB21.6 million and RMB135.3 million in 2023 and 2024, respectively.

Share of Losses of Associates

We held certain ownership interest of our associates and shared their results during the Track Record Period. As a result, we recorded share of losses of associates of RMB6.3 million in 2023 and RMB8.1 million in 2024.

Finance Costs

During the Track Record Period, our finance costs primarily consisted of (i) transaction cost for issuance of redemption liabilities on equity shares in relation to our financing activities, (ii) interest on bank borrowings, and (iii) interest on lease liabilities. In 2023 and 2024, our finance costs amounted to RMB24.7 million and RMB10.7 million, respectively.

The following table sets forth a breakdown of our finance costs for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Transaction cost for issuance of redemption liabilities on equity shares	19,979	5,345
Interest on bank borrowings	5,872	7,476
Interest on lease liabilities	2,070	1,946
Less: Interest capitalized	*(3,269)*	*(4,035)*
Total	**24,652**	**10,732**

Income Tax Expense

We are subject to income tax on an entity basis on profits arising in or derived from the countries or jurisdictions in which members of our Group are domiciled and operate.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in mainland China are subject to corporate income tax at a rate of 25% on the taxable income. During the Track Record Period, the Company was entitled to a preferential tax rate of 15% because it was accredited as a "High and New Technology Enterprise" ("**HNTE**"). The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

United States of America

Our subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% during the Track Record Period.

As a result, we recorded income tax expenses of RMB19.4 million in 2023 and RMB16.4 million in 2024. Our Directors confirm that during the Track Record Period, we had made all the required tax filings and had no outstanding tax liabilities with the relevant tax authorities in the relevant jurisdictions and we are not aware of any outstanding or potential disputes with such tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared With Year Ended December 31, 2023

Revenue

Our revenue increased by RMB33.9 million from RMB10.2 million in 2023 to RMB44.1 million in 2024, mainly due to (i) an increase of RMB26.2 million in revenue generated from our provision of CRO/CDMO services, primarily due to the increase in the purchase orders for our CRO/CDMO services in 2024; (ii) the increase of RMB3.5 million in licensing income as we received an increased amount of payments in relation to our out-licensing arrangement.

Cost of Sales

Our cost of sales increased by RMB8.2 million from RMB32.5 million in 2023 to RMB40.7 million in 2024, mainly due to (i) an incurrence of RMB5.9 million in technical service fee for our CRO/CDMO services, which was in line with the expansion of our CRO/CDMO services in 2024; and (ii) an increase of RMB4.3 million in material costs mainly in relation to the expansion of our CRO/CDMO services in 2024.

Gross Profit and Gross Profit Margin

As a result of foregoing, we recorded a gross loss of RMB22.3 million in 2023 and a gross profit of RMB3.4 million in 2024, with a gross loss margin for the year of 218.0% in 2023 and a gross profit margin of 7.7% in 2024.

Other Income and Gains

Our other income and gains decreased by RMB36.3 million from RMB137.3 million in 2023 to RMB101.0 million in 2024, primarily due to a decrease of RMB43.8 million in the gains on disposal of equity investments, which represented payments we received in relation to the disposal of our equity investment in Cerveau and Meilleur. We recorded a higher amount of gains in 2023 because the amount of payments we received for the disposal of our equity investment in Cerveau in 2023 was higher than that we received for the disposal of our equity investment in Meilleur in 2024.

Research and Development Expenses

Our research and development expenses decreased by RMB69.0 million from RMB297.0 million in 2023 to RMB228.0 million in 2024, mainly due to (i) a decrease of RMB37.2 million in preclinical and clinical trial expenses, which was mainly in line with the evolving progress of clinical trial status of different product candidates, and (ii) a decrease of RMB17.6 million in licensing fees mainly attributable to decreased upfront and milestone payments in connection with our collaboration arrangements in 2024.

Administrative Expenses

Our administrative expenses increased by RMB22.7 million from RMB83.9 million in 2023 to RMB106.6 million in 2024, mainly due to (i) an increase of RMB11.1 million in depreciation and amortization primarily in relation to the conversion from the construction in progress into fixed assets; and (ii) an increase of RMB3.8 million in employee benefit expenses primarily as we hired more management personnel for the expansion of our business.

Selling and Distribution Expenses

Our selling and distribution expenses increased by RMB10.5 million from RMB13.9 million in 2023 to RMB24.4 million in 2024, mainly due to an increase of RMB10.8 million in employee benefit expenses primarily due to our increased sales and marketing efforts in relation to the launch of adenosine injection under the trade name 歐達樂® and the preparation for the launch of XTR005 (^{18}F-Florbetaben injection) under the trade name 歐韋寧®.

Change in Fair Value of Redemption Liabilities on Equity Shares

Our fair value gains of redemption liabilities on equity shares increased by RMB113.7 million from RMB21.6 million in 2023 to RMB135.3 million in 2024, primarily due to a decrease in the valuation of fair value of redemption liabilities on equity shares mainly in relation to the new issuance of redemption liabilities on equity shares issued for our Nov-2024 Capital Increase and Dec-2024 Capital Increase. For more details, please see "History, Development and Corporate Structure – Pre-**[REDACTED]** Investments."

Finance Costs

Our finance costs decreased by RMB14.0 million from RMB24.7 million in 2023 to RMB10.7 million in 2024, primarily due to a decrease of RMB14.6 million in transaction cost for issuance of redemption liabilities on equity shares, which was mainly attributable to a decrease in the scale of financing raised in 2024.

Income Tax Expenses

Our income tax expenses decreased by RMB3.0 million from RMB19.4 million in 2023 to RMB16.4 million in 2024, primarily due to a decrease in gains on disposal of equity investments, which constituted our taxable income during the same period.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of RMB309.2 million in 2023 and RMB156.1 million in 2024, respectively.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
ASSETS		
Non-current assets		
Property, plant and equipment	510,446	527,231
Right-of-use assets	73,653	69,477
Intangible assets	7,731	8,426
Investments in associates	23,306	12,505
Prepayments, other receivables and other assets	78,727	84,683
Time deposits	307,896	240,668
Total non-current assets	**1,001,759**	**942,990**
Current assets		
Inventories	21,082	27,782
Trade receivables	9,057	24,002
Prepayments, other receivables and other assets	34,123	31,270
Financial assets at FVTPL	–	248,706
Cash and cash equivalents	790,824	471,878
Pledged deposits	448	410
Time deposits	108,641	531,778
Total current assets	**964,175**	**1,335,826**
LIABILITIES		
Current liabilities		
Trade payables	26,704	34,538
Contract liabilities	1,469	4,613
Other payables and accruals	119,610	92,031
Interest-bearing bank borrowings	13,145	13,108

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Lease liabilities	6,954	9,321
Redemption liabilities on equity shares	2,629,544	3,094,254
Total current liabilities	**2,797,426**	**3,247,865**
Net current liabilities	**(1,833,251)**	**(1,912,039)**
Total assets less current liabilities	**(831,492)**	**(969,049)**
Non-current liabilities		
Lease liabilities	34,013	28,927
Interest-bearing bank borrowings	129,328	147,095
Other payables and accruals	6,904	6,481
Deferred income	5,728	19,153
Total non-current liabilities	**175,973**	**201,656**
Net liabilities	**(1,007,465)**	**(1,170,705)**
Equity		
Equity attributable to owners of the parent		
Share capital	52,219	59,049
Reserves	(1,071,437)	(1,225,510)
Subtotal	*(1,019,218)*	*(1,166,461)*
Non-Controlling interests	**11,753**	**(4,244)**
Total deficit	**(1,007,465)**	**(1,170,705)**

Property, Plant and Equipment

Our property, plant and equipment primarily includes buildings, machinery, electronic equipment, motor vehicles, office furniture, leasehold improvements, and construction in progress. Our property, plant and equipment increased from RMB510.4 million as of December 31, 2023 to RMB527.2 million as of December 31, 2024, primarily due to increases in machinery and construction in progress mainly in relation to our establishment of manufacturing facilities in 2024, partially offset by the transfer from construction in progress to building and machinery.

The following table sets out our property, plant and equipment as of the dates indicated.

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Building	173,929	312,353
Machinery	92,184	115,376
Electronic equipment	3,049	2,130
Motor vehicles	336	254
Office furniture	10,572	9,316
Leasehold improvements	19,500	19,349
Construction in progress	210,876	68,453
Total	**510,446**	**527,231**

Right-of-Use Assets

Our right-of-use assets primarily arise from the leased properties. Our right-of-use assets decreased from RMB73.7 million as of December 31, 2023 to RMB69.5 million as of December 31, 2024, primarily due to the depreciation charges.

Intangible Assets

Our intangible assets consist of software. Our intangible assets remained relatively stable at RMB7.7 million and RMB8.4 million as of December 31, 2023 and 2024, respectively.

Inventories

Our inventories primarily consist of raw materials, work in progress, and finished goods. Our inventories increased from RMB21.1 million as of December 31, 2023 to RMB27.8 million as of December 31, 2024, mainly due to the increase in raw materials used in our R&D activities and the increase in work in progress in relation to our provision of CRO/CDMO services.

The following table sets forth the details of our inventories as of the dates indicated:

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Raw materials	14,438	17,403
Work in progress	6,312	10,169
Finished goods	332	210
Total	**21,082**	**27,782**

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Within 1 year	16,157	15,053
1 to 2 years	4,925	7,827
Over 2 years	–	4,902
Total	**21,082**	**27,782**

As of March 31, 2025, RMB3.2 million of inventories, accounting for 11.5% of inventories as of December 31, 2024, had been subsequently utilized.

Trade Receivables

Our trade receivables primarily arise from our provision of CRO/CDMO services and marketing services. Our trade receivables increased significantly from RMB9.1 million as of December 31, 2023 to RMB24.0 million as of December 31, 2024, primarily due to our expansion in the provision of CRO/CDMO services in 2024.

We typically grant our customers credit terms ranging from 30 days to 280 days. We seek to maintain strict credit control over our outstanding receivables, and overdue balances are reviewed regularly and actively monitored by senior management to minimize credit risk. The following table sets forth an aging analysis of our trade receivables net of loss allowance, based on the goods or services acceptance date as of the dates indicated:

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Within 1 year	6,263	21,209
1 to 2 years	2,794	1,311
2 to 3 years	–	1,482
Total	**9,057**	**24,002**

As of March 31, 2025, RMB12.8 million, or approximately 53.3% of our trade receivables as of December 31, 2024 had been subsequently settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) prepayments, mainly representing the prepaid research and development expenses; (ii) prepayment for long-term assets, mainly representing our prepayments for the equipment we purchased for our establishment of manufacturing facilities; (iii) prepayments for in-license; and (iv) value-added tax recoverable, representing value-added tax paid by us on purchases that are deductible against future value-added tax payable.

The following table sets out our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Current:		
Prepayments	28,002	24,413
Other receivables	6,121	6,857
Subtotal	*34,123*	*31,270*

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Non-current:		
Prepayments for long-term assets	25,394	20,014
Prepayments for in-license	10,447	8,706
VAT recoverable	38,169	53,015
Others	4,717	2,948
Subtotal	*78,727*	*84,683*
Total	**112,850**	**115,953**

Our prepayment, other receivables and other assets remained relatively stable at RMB112.9 million as of December 31, 2023 and RMB116.0 million as of December 31, 2024.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily represented the fair value of our structured deposits we purchased in 2024. We recorded financial assets at FVTPL of RMB248.7 million as of December 31, 2024 with expected return rates ranging from 1.00% to 2.55% per annum and general maturity term ranging from 41 days to 185 days. Our structured deposits were issued by commercial banks operating in mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

We have implemented a series of internal control policies and rules regarding investment in structure deposits historically to ensure that the purpose of investment is to preserve capital and liquidity until free cash is used in our primary business and operation. Prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures even after purchasing such structured deposits. We adopt a prudent approach in selecting financial products. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as duration of the investment and the expected returns. All structured deposits we purchased during the Track Record Period were approved by our management team. Our management team and the finance department are mainly responsible for making, implementing and supervising our investment decisions. To control our risk exposure, we have in the past sought, and may continue in the future to seek other low-risk financial products with short maturity term. Additionally, we mainly invest in structured deposits offered by reputable commercial banks or reputable financial institutions. After making an investment, we closely monitor its performance and fair value on a regular basis. Upon the **[REDACTED]**, our investment in wealth management products is subject to the compliance with Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash at hand as well as bank balances. Our cash at banks earns interest at floating rates based on daily bank deposit rates. Our cash and cash equivalents amounted to RMB790.8 million and RMB471.9 million as of December 31, 2023 and 2024, respectively. For an analysis on cash flows during the Track Record Period, see " – Liquidity and Capital Resources."

Time Deposits

Our time deposits represent our bank deposits with a fixed maturity term. Our time deposit amounted to RMB416.5 million and RMB772.4 million as of December 31, 2023 and 2024, respectively. The increase in 2024 was primarily because we purchased more time deposits in 2024 with the proceeds we received from our financing activities.

Trade Payables

Our trade payables mainly related to our purchases of materials and third-party contracting services. Our trade payables increased from RMB26.7 million as of December 31, 2023 to RMB34.5 million as of December 31, 2024, primarily due to an increase in our payables to our CROs and material suppliers. Our credit terms on trade payables normally were 30 days to 90 days.

The following table sets forth an aging analysis of our trade payables, based on the invoice date, as of the dates indicated:

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Within 1 year	26,592	33,722
1 to 2 years	112	784
Over 2 year	–	32
Total	**26,704**	**34,538**

As of March 31, 2025, RMB12.6 million or 36.6% of our trade payables as of December 31, 2024 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) other payables, comprising payables for the construction in progress for our establishment of manufacturing facilities as well as government grants, (ii) payroll and welfare payables, and (iii) other tax payables. Our other payables and accruals decreased from RMB119.6 million as of December 31, 2023 to RMB92.0 million as of December 31, 2024, mainly due to our settlement of certain payables for construction in progress for the establishment of manufacturing facilities in 2024.

The following table sets out our other payables and accruals as of the dates indicated.

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Payroll and welfare payables	28,279	32,275
Other tax payables	2,371	1,235
Other payables	88,960	58,521
Total	**119,610**	**92,031**

Contract liabilities

Our contract liabilities represent advances from our customers while the underlying services or products have not been provided, which are subsequently recognized as revenue upon rendering of the relevant services or delivery of the relevant products. Our contract liabilities increased from RMB1.5 million as of December 31, 2023 to RMB4.6 million as of December 31, 2024, mainly due to the business expansion of our CRO/CDMO services.

As of March 31, 2025, approximately RMB0.6 million or 13.0%, of our contract liabilities as of December 31, 2024 had been recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary sources of liquidity consist of cash and cash equivalents, which we have historically generated primarily through our business operations, equity financing and borrowings. We expect that our cash needs in the near future will primarily relate to progressing the development of our product candidates towards receiving regulatory approval and commencing commercialization, our marketing and promotion of our commercialized products, as well as expanding our drug candidate portfolio. Our management closely monitors uses of cash and cash balances and strives to maintain a healthy liquidity for our operations. We expect our liquidity requirements will be satisfied by a combination of existing cash and cash equivalents, bank loans, time deposits, financial assets at FVTPL and net **[REDACTED]** from the **[REDACTED]**, as well as revenue generated from sales of our successfully commercialized drug products. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financings, collaboration arrangements, licensing arrangements or other sources.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the years indicated.

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Cash used in operations before movements in working capital	(343,673)	(264,951)
Changes in working capital	56,841	4,603
Income tax paid	(19,383)	(16,397)
Net cash flows used in operating activities	(306,215)	(276,745)
Net cash flows used in investing activities	(539,254)	(601,747)
Net cash flows generated from financing activities	1,350,967	559,519
Net increase/(decrease) in cash and cash equivalents	505,498	(318,973)
Cash and cash equivalents at beginning of the year	285,153	790,824
Effect of foreign exchange rate changes, net	621	437
Pledged deposits	(448)	(410)
Cash and cash equivalents at end of the year	**790,824**	**471,878**

Net Cash Flows Used in Operating Activities

In 2024, our net cash used in operating activities was RMB276.7 million, which was primarily attributable to our loss before tax of RMB139.7 million, adjusted for non-cash and non-operating items, including (i) change on fair value of redemption liabilities on equity shares of RMB135.3 million, and (ii) gains on disposal of equity investments of RMB73.1 million. The amount was further adjusted by the positive effect of changes in working capital, which mainly comprised (i) an increase in deferred income of RMB14.3 million, and (ii) an increase in trade payables of RMB7.8 million, partially offset by an increase in trade receivables of RMB16.2 million.

In 2023, our net cash used in operating activities was RMB306.2 million, which was primarily attributable to our loss before tax of RMB289.9 million, adjusted for non-cash and non-operating items, including (i) gains on disposal of equity investments of RMB116.9 million, (ii) share-based payments expense of RMB33.6 million, and (iii) finance costs of RMB24.7 million. The amount was further adjusted by the positive effect of changes in working capital, which mainly comprised (i) an increase in accruals and other payables of RMB31.7 million, and (ii) an increase in trade payables of RMB20.9 million, partially offset by an increase in inventories of RMB13.7 million.

Net Cash Flows Used in Investing Activities

In 2024, our net cash used in investing activities was RMB601.7 million, primarily as a result of (i) purchases of financial assets at FVTPL of RMB788.0 million, and (ii) increase in time deposits of RMB452.1 million, partially offset by proceeds from redemption of financial assets at FVTPL of RMB540.0 million.

In 2023, our net cash used in investing activities was RMB539.3 million, primarily as a result of (i) increase in time deposits of RMB382.6 million, and (ii) purchases of property, plant and equipment of RMB269.5 million, partially offset by proceeds from disposal of equity investments of RMB104.1 million.

Net Cash Flows Generated From Financing Activities

In 2024, our net cash generated from financing activities was RMB559.5 million, primarily as a result of (i) proceeds from issue of shares of RMB600.0 million, and (ii) proceeds from bank borrowings of RMB39.1 million, partially offset by acquisition of non-controlling interests of RMB35.0 million.

In 2023, our net cash generated from financing activities was RMB1,351.0 million, primarily as a result of (i) proceeds from issue of share of RMB1,375.0 million, and (ii) proceeds from bank borrowings of RMB62.3 million, partially offset by acquisition of non-controlling interests of RMB39.7 million.

Net Current Assets/Liabilities

	As of December 31,		As of March 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Current assets			
Inventories	21,082	27,782	34,787
Trade receivables	9,057	24,002	21,940
Prepayments, other receivables and other assets	34,123	31,270	44,087
Financial assets at FVTPL	–	248,706	258,084
Cash and cash equivalents	790,824	471,878	400,646
Pledged deposits	448	410	–
Time deposits	108,641	531,778	512,146
Total current assets	**964,175**	**1,335,826**	**1,271,691**
Current liabilities			
Trade payables	26,704	34,538	37,428
Contract liabilities	1,469	4,613	10,488
Other payables and accruals	119,610	92,031	67,828
Interest-bearing bank borrowings	13,145	13,108	4,008
Lease liabilities	6,954	9,321	8,317
Redemption liabilities on equity shares	2,629,544	3,094,254	3,220,614
Total current liabilities	**2,797,426**	**3,247,865**	**3,348,682**
Net current liabilities	**(1,833,251)**	**(1,912,039)**	**(2,076,991)**

Our net current liabilities increased from RMB1,833.3 million as of December 31, 2023 to RMB1,912.0 million as of December 31, 2024, primarily due to (i) an increase in redemption liabilities on equity shares of RMB464.7 million; and (ii) a decrease in cash and cash equivalents of RMB318.9 million, partially offset by an increase in time deposits of RMB423.1 million.

Working Capital Confirmation

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, financial assets at FVTPL and time deposits as of December 31, 2024, and the estimated net **[REDACTED]** from the **[REDACTED]**, as well as cash burn rate, we have available sufficient working capital to cover at least 125% of the Group's costs, including research and development expenses, selling and distribution expenses and administrative expenses, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of (i) net cash used in operating activities, and (ii) capital expenditures. Assuming an average cash burn rate going forward of 1.5 times the level in 2024, we estimate that our cash and cash equivalent, time deposits and financial assets at FVTPL as of December 31, 2024 will be able to maintain our financial viability for **[REDACTED]** months, or, if we also take into account the estimated net **[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range), **[REDACTED]** months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Research and development costs		
Research and development costs for Core Products		
– Preclinical and clinical trial expenses	62,415	26,139
– Employee benefit expenses	29,198	27,855
– Material expenses	9,872	5,476
– Others	6,485	3,677
Research and development costs for other product candidates		
– Preclinical and clinical trial expenses	34,206	31,137
– Employee benefit expenses	35,689	40,747
– Material expenses	13,960	14,596
– Others	26,681	9,823
Workforce employment costs	64,271	90,380
Direct production costs	33,841	27,294
Product marketing costs	20,002	17,868

INDEBTEDNESS

Our indebtedness mainly included redemption liabilities on equity shares, lease liabilities and interest-bearing bank borrowings during the Track Record Period. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of March 31, 2025. After due and careful consideration, our Directors confirm that there had been no material adverse change in our indebtedness since March 31, 2025 and up to the Latest Practicable Date.

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of March 31,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Current:			
Redemption liabilities on equity shares	2,629,544	3,094,254	3,220,614
Lease liabilities	6,954	9,321	8,317
Interest-bearing bank borrowings	13,145	13,108	4,008
	2,649,643	3,116,683	3,232,939
Non-current:			
Lease liabilities	34,013	28,927	28,836
Interest-bearing bank borrowings	129,328	147,095	147,095
	163,341	176,022	175,931
Total	**2,812,984**	**3,292,705**	**3,408,870**

Redemption Liabilities on Equity Shares

We designated the capital contributions made by certain investors with special rights as redemption liabilities on equity shares. Major assumptions used in the valuation and the sensitivity analysis for capital contributions with preferred rights are presented in Note 26 to the Accountant's Report in Appendix I to this document. The redemption liabilities on equity shares of RMB2,801.3 million as of December 31, 2024 will be re-designated from liabilities to equity as a result of the termination of preferred rights upon the **[REDACTED]**. For more details, please see Note 26 to the Accountant's Report in Appendix I to this document. As of December 31, 2023 and 2024 and March 31, 2025, we recorded redemption liabilities on equity shares of RMB2,629.5 million, RMB3,094.3 million and RMB3,220.6 million, respectively.

Lease Liabilities

Our lease liabilities are in relation to properties that we leased for our business operations. Our lease liabilities amounted to RMB41.0 million, RMB38.2 million and RMB37.2 million as of December 31, 2023 and 2024 and March 31, 2025, respectively.

Interest-bearing Bank Borrowings

Our interest-bearing bank borrowings consist of secured RMB-denominated bank loans that we borrowed with an effective interest rate ranging from 3.50% to 5.05% per annum. As of December 31, 2023 and 2024 and March 31, 2025, our interest-bearing bank borrowings amounted to RMB142.5 million, RMB160.2 million and RMB151.1 million, respectively. For more details, please see Note 25 to the Accountant's Report in Appendix I to this document. As of March 31, 2025, we had unutilized banking facilities of RMB175.0 million.

The table below sets forth the breakdown of our interest-bearing bank borrowings for the periods indicated:

	As of December 31,		As of March 31,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank loans – secured	13,145	13,108	4,008
Subtotal	*13,145*	*13,108*	*4,008*
Non-current			
Bank loans – secured	129,328	147,095	147,095
Subtotal	*129,328*	*147,095*	*147,095*
Total	**142,473**	**160,203**	**151,103**

Our Directors confirm that as of the Latest Practicable Date, save as disclosed in Note 25 to the Accountant's Report in Appendix I to this document, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, and there was no material breach of any covenant during the Track Record Period and up to the Latest Practicable Date.

TRANSACTIONS WITH RELATED PARTIES

We had the following transactions during the Track Record Period, and the following table sets forth our transactions with related parties for the years indicated.

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Purchase of research services	1,242	627
Purchase of raw material	6,054	78
Purchase of software	2,353	–
Rental income	–	1,001
Total	**9,649**	**1,706**

The following table sets forth the outstanding balances with related parties as of the date indicated.

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Trade receivables	–	240
Other payables	363	117
Total	**363**	**357**

Our Directors confirm that all material related party transactions during the Track Record Period were conducted on an arm's length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

CAPITAL EXPENDITURE

In 2023 and 2024, our capital expenditures were RMB274.3 million and RMB98.4 million, respectively, which included purchases of property, plant and equipment as well as intangible assets. We regularly incur capital expenditures to purchase and maintain our property, plant and equipment and acquire intangible asset in order to enhance our research and development capabilities and expand our business operations, upgrade our facilities and increase our operating efficiency. The following table sets forth our capital expenditures for the years indicated:

	Year Ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Purchase of intangible assets	4,806	1,735
Purchase of property, plant and equipment	269,482	96,639
Total	**274,288**	**98,374**

Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

COMMITMENTS

We had the following contractual commitments as of the dates indicated:

	As of December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Property, plant and equipment	88,208	55,592
Total	**88,208**	**55,592**

KEY FINANCIAL RATIO

The table below sets forth our key financial ratio as of the dates indicated.

	As of December 31,	
	2023	2024
Current ratio[(1)]	0.34	0.41

Note:

(1) Current ratio equals to current assets divided by current liabilities as of the same date.

FINANCIAL RISK DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, time deposits, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables, and interest-bearing bank borrowings and redemption liabilities on equity shares. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from our operations. The main risks arising from our financial instruments are interest rate risk, credit risk and liquidity risk. The senior management reviews and agrees policies for managing each of these risks and they are summarized below. For more details, see Note 37 to the Accountant's Report in Appendix I to this document.

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our bank borrowings with floating interest rates. For more details regarding sensitivity to a reasonably possible change in interest rates, please see Note 37 to the Accountant's Report in Appendix I to this document.

Credit Risks

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. For more details regarding maturity profile of our financial liabilities and lease liabilities as of the end of each of the Track Record Period, please see Note 37 to the Accountant's Report in Appendix I to this document.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize shareholders' value.

We manage our capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the return capital to shareholders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Periods.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we did not have any distributable reserves.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses represent professional fees, **[REDACTED]** **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. Based on the **[REDACTED]** of HK$**[REDACTED]** per Share, our **[REDACTED]** expenses in relation to the **[REDACTED]** are estimated to be approximately RMB**[REDACTED]** (HK$**[REDACTED]**), representing **[REDACTED]**% of the gross **[REDACTED]**. The **[REDACTED]** expenses consist of (i) **[REDACTED]**-related expenses, including **[REDACTED]**, of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), and (ii) non-**[REDACTED]**-related expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), and (b) other fees and expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**).

During the Track Record Period, we incurred **[REDACTED]** expenses of **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) after the Track Record Period, approximately RMB**[REDACTED]** (HK$**[REDACTED]**) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** (HK$**[REDACTED]**) of which is attributable to the issue of Shares and will be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details of our unaudited **[REDACTED]** statement of adjusted net tangible assets, please see the section headed "Unaudited **[REDACTED]** Adjusted Consolidated Net Tangible Assets" in Appendix II to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change our business, financial condition and results of operations since December 31, 2024, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this document, and up to the Latest Practicable Date.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND PROSPECTS

See "Business – Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]**, after deducting **[REDACTED] [REDACTED]**, fees and other estimated expenses paid and payable by us in connection with the **[REDACTED]**, assuming the **[REDACTED]** being not exercised and an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this document). If the **[REDACTED]** is set at HK$**[REDACTED]** per Share (being the high-end of the indicative **[REDACTED]** range), the net **[REDACTED]** from the **[REDACTED]** will increase by approximately HK$**[REDACTED]**. If the **[REDACTED]** is set at HK$**[REDACTED]** per Share (being the low-end of the indicative **[REDACTED]** range), the net **[REDACTED]** from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]**.

Assuming the **[REDACTED]** is set at the mid-point of the indicative **[REDACTED]** range and that the **[REDACTED]** is not exercised, we intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes:

1. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for the research, development and registrational filings of our Core Products, including:

    a. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the clinical trials of XTR008 for NENs excluding G1 or G2 GEP-NETs. We expect to complete the ongoing Phase II clinical trial in 2026. See "Business – Product Candidates – Core Product – XTR008 – Registrational-Stage ^{177}Lu-labeled SSTR-targeted Radioligand – Clinical Development Plan;"

    b. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the ongoing Phase III clinical trial of XTR006 in China and subsequent registrational filing. We expect to complete the Phase III clinical trial in 2027. See "Business – Product Candidates – Core Product – XTR006 – Potential Best-in-class ^{18}F-labeled Tau-targeted PET Tracer – Clinical Development Plan;"

    c. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the clinical trials and registrational filings of XTR004, of which:

        i. **[REDACTED]**%, or approximately HK$**[REDACTED]** will be used to fund a planned Phase III clinical trial of XTR004 for myocardial ischemia detection in China and subsequent registrational filing. We expect to initiate the Phase III clinical trial in the fourth quarter of 2025; and

ii. **[REDACTED]**%, or approximately HK$**[REDACTED]** will be used to fund the preclinical and clinical studies to explore XTR004 in coronary microvascular dysfunction detection. We plan to submit an IND application in 2026.

See "Business – Product Candidates – Core Product – XTR004 – ^{18}F-labeled mitochondrial complex I-targeted PET-MPI Tracer – Clinical Development Plan;" and

d. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund a planned Phase IIb clinical trial and a Phase III clinical trial of XTR003/^{18}F-FDG combined imaging for the detection of myocardial viability in China. We expect to initiate the Phase IIb clinical trial in 2025. See "Business – Product Candidates – Core Product – XTR003 – World's First and Only PET Tracer Myocardial Fatty Acid Metabolism Imaging – Clinical Development Plan."

2. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for the research and development of our other product candidates, including:

a. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR015. We plan to initiate a registrational Phase III clinical trial of XTR015 in 2025, which is anticipated to be completed in 2026;

b. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR024. We plan to submit an IND application to the NMPA for XTR024 in 2026;

c. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR010. We are advancing XTR010 in a Phase I/II clinical trial in patients with prostate cancer in China and expect to complete Phase I stage in 2025;

d. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR020. We are advancing XTR020 in a registrational Phase III clinical trial of XTR020 in China, which is anticipated to be completed in 2026;

e. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR021. We plan to submit an IND application to the NMPA for XTR021 in 2026;

f. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR022. We plan to submit an IND application to the NMPA for XTR022 in 2027;

g. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR016. We plan to initiate a Phase I clinical trial of XTR016 in 2025;

h. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR017. We plan to initiate a Phase I clinical trial of XTR017 in 2026;

i. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund the research and development of XTR025. We plan to submit an IND application to the NMPA for XTR025 in 2027; and

j. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used to fund early-stage research and development.

3. **[REDACTED]**%, or approximately HK$**[REDACTED]** will be used for the reinforcement of our sales and marketing capabilities, including recruitment of additional sales and marketing personnel with extensive knowledge and experience in radiopharmaceutical industry and conducting various marketing activities to increase the visibility of our products.

4. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used will be used for the construction of a new manufacturing facility in the Beijing-Tianjin-Hebei-Shandong Region. This strategic expansion aims to ensure the timely delivery of our products to customers across northern China, improving the accessibility of our products and extending our geographical reach. We plan to commence the construction of such facility in 2026. See "Business – Manufacturing – Manufacturing Facilities."

5. **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for working capital and other general corporate purposes.

The above allocation of the net **[REDACTED]** from the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed at a higher or lower level compared to the mid-point of the indicative **[REDACTED]** range stated in this document.

If the **[REDACTED]** is exercised in full, the net **[REDACTED]** that we will receive will be approximately HK$**[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range). In the event that the **[REDACTED]** is exercised in full, we intent to apply the additional net **[REDACTED]** to the above purposes in the proportions stated above.

To the extent that the net **[REDACTED]** from the **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the net **[REDACTED]** in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).

In the event of any material change in our use of net **[REDACTED]** of the **[REDACTED]** from the purposes described above or in our allocation of the net **[REDACTED]** among the purposes described above, a formal announcement will be made.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING SINOTAU INTERNATIONAL PHARMACEUTIAL TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-3] to [I-85], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023 and 2024 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023 and 2024 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-3] to [I-85] forms an integral part of this report, which has been prepared for inclusion in the **[REDACTED]** of the Company dated [Date] (the "**[REDACTED]**") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and 2024 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-3] have been made.

Dividends

We refer to note [11] to the Historical Financial Information which states that no dividends have been paid by the Group in respect of the Relevant Periods.

[•]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December 2023 RMB'000	Year ended 31 December 2024 RMB'000
REVENUE	5	10,232	44,064
Cost of sales		(32,535)	(40,686)
Gross profit/(loss)		(22,303)	3,378
Other income and gains	5	137,282	100,980
Selling and distribution expenses		(13,854)	(24,353)
Impairment losses on trade receivables, net		(285)	(1,257)
Administrative expenses		(83,857)	(106,591)
Research and development expenses		(296,988)	(227,982)
Change in fair value of redemption liabilities on equity shares	26	21,610	135,290
Share of losses of associates		(6,344)	(8,111)
Other expenses		(460)	(341)
Finance costs	7	(24,652)	(10,732)
LOSS BEFORE TAX		(289,851)	(139,719)
Income tax expense	10	(19,383)	(16,397)
LOSS FOR THE YEAR		(309,234)	(156,116)
Attributable to:			
Owners of the parent		(297,101)	(149,286)
Non-controlling interests		(12,133)	(6,830)
		(309,234)	(156,116)
LOSS PER SHARE ATTRIBUTABLE TO ORDIANRY EQUITY HOLDERS OF THE COMPANY	12		
Basic (RMB)		(6.73)	(2.84)
Diluted (RMB)		(6.86)	(3.34)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	(309,234)	(156,116)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Group's subsidiaries not operating in Mainland China	432	1,963
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	432	1,963
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(308,802)	(154,153)
Attributable to:		
Owners of the parent	(296,669)	(147,323)
Non-controlling interests	(12,133)	(6,830)
	(308,802)	(154,153)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2023 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	510,446	527,231
Right-of-use assets	*14(a)*	73,653	69,477
Intangible assets	*15*	7,731	8,426
Investments in associates	*16*	23,306	12,505
Prepayments, other receivables and other assets	*19*	78,727	84,683
Time deposits	*21*	307,896	240,668
Total non-current assets		1,001,759	942,990
CURRENT ASSETS			
Inventories	*17*	21,082	27,782
Trade receivables	*18*	9,057	24,002
Prepayments, other receivables and other assets	*19*	34,123	31,270
Financial assets at fair value through profit or loss	*20*	–	248,706
Cash and cash equivalents	*21*	790,824	471,878
Pledged deposits	*21*	448	410
Time deposits	*21*	108,641	531,778
Total current assets		964,175	1,335,826
CURRENT LIABILITIES			
Trade payables	*22*	26,704	34,538
Contract liabilities	*23*	1,469	4,613
Other payables and accruals	*24*	119,610	92,031
Interest-bearing bank borrowings	*25*	13,145	13,108
Lease liabilities	*14(b)*	6,954	9,321
Redemption liabilities on equity shares	*26*	2,629,544	3,094,254
Total current liabilities		2,797,426	3,247,865
NET CURRENT LIABILITIES		(1,833,251)	(1,912,039)
TOTAL ASSETS LESS CURRENT LIABILITIES		(831,492)	(969,049)

	Notes	31 December 2023	31 December 2024
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities	*14(b)*	34,013	28,927
Interest-bearing bank borrowings	*25*	129,328	147,095
Other payables and accruals	*24*	6,904	6,481
Deferred income	*27*	5,728	19,153
Total non-current liabilities		175,973	201,656
Net liabilities		(1,007,465)	(1,170,705)
EQUITY			
Equity attributable to owners of the parent			
Share capital	*29*	52,219	59,049
Reserves	*31*	(1,071,437)	(1,225,510)
Subtotal		(1,019,218)	(1,166,461)
Non-controlling interests		11,753	(4,244)
Total deficit		(1,007,465)	(1,170,705)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	Share premium*	Other reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling Interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	35,962	1,085,182	(1,051,209)	28,194	1,264	(807,891)	(708,498)	36,229	(672,269)
Loss for the year	–	–	–	–	–	(297,101)	(297,101)	(12,133)	(309,234)
Other comprehensive income for the year									
Exchange differences on translation of the Group's subsidiaries not operating in Mainland China	–	–	–	–	432	–	432	–	432
Total comprehensive loss for the year	–	–	–	–	432	(297,101)	(296,669)	(12,133)	(308,802)
Issue of new shares	16,257	1,087,479	–	–	–	–	1,103,736	–	1,103,736
Capital contribution from non-controlling shareholders of a subsidiary *(note 31)*	–	4,982	–	–	–	–	4,982	3,842	8,824
Recognition of redemption liabilities on Series E1 and Series E2 Shares *(note 26)*	–	–	(1,100,000)	–	–	–	(1,100,000)	–	(1,100,000)
Transfer to redemption liabilities on equity shares arising from re-designation *(note 26)*	–	–	(32,882)	–	–	–	(32,882)	–	(32,882)
Acquisition of non-controlling interests *(note 31)*	–	(23,505)	–	–	–	–	(23,505)	(16,185)	(39,690)
Share-based payments *(note 30)*	–	–	–	33,618	–	–	33,618	–	33,618
At 31 December 2023	52,219	2,154,138	(2,184,091)	61,812	1,696	(1,104,992)	(1,019,218)	11,753	(1,007,465)

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	Share premium*	Other reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling Interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	52,219	2,154,138	(2,184,091)	61,812	1,696	(1,104,992)	(1,019,218)	11,753	(1,007,465)
Loss for the year	–	–	–	–	–	(149,286)	(149,286)	(6,830)	(156,116)
Other comprehensive income for the year									
Exchange differences on translation of the Group's subsidiaries not operating in Mainland China	–	–	–	–	1,963	–	1,963	–	1,963
Total comprehensive loss for the year	–	–	–	–	1,963	(149,286)	(147,323)	(6,830)	(154,153)
Issue of new shares	6,830	593,170	–	–	–	–	600,000	–	600,000
Recognition of redemption liabilities on Series E1+ and Series E2+ Shares *(note 26)*	–	–	(600,000)	–	–	–	(600,000)	–	(600,000)
Acquisition of non-controlling interests *(note 31)*	–	(21,860)	–	–	–	–	(21,860)	(13,140)	(35,000)
Others *(note 31)*	–	(3,973)	–	–	–	–	(3,973)	3,973	–
Share-based payments *(note 30)*	–	–	–	25,913	–	–	25,913	–	25,913
At 31 December 2024	59,049	2,721,475	(2,784,091)	87,725	3,659	(1,254,278)	(1,166,461)	(4,244)	(1,170,705)

* These reserve accounts comprise the negative amounts of consolidated reserves of RMB1,071,437,000 and RMB1,225,510,000 in the consolidated statements of financial position as at 31 December 2023 and 2024, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2023 RMB'000	Year ended 31 December 2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(289,851)	(139,719)
Adjustments for:			
Interest income	5	(15,682)	(23,283)
Finance costs	7	24,652	10,732
Share of losses of associates	16	6,344	8,111
Gains on financial assets at fair value through profit or loss	5	–	(706)
Gains on disposal of financial assets at fair value through profit or loss, net	5	–	(1,417)
Change on fair value of redemption liabilities on equity shares	26	(21,610)	(135,290)
Gains on disposal of equity investments	5	(116,862)	(73,090)
Loss on disposal of property, plant and equipment	6	34	9
Depreciation of property, plant and equipment	6	23,899	52,067
Depreciation of right-of-use assets	6	7,901	9,541
Amortisation of intangible assets	6	702	1,040
Impairment losses on trade receivables, net	6	285	1,257
Write-down/(reversal of write-down) of inventories to net realisable value	6	2,897	(116)
Share-based payments	30	33,618	25,913
Increase in inventories		(13,686)	(6,584)
Increase in trade receivables		(2,327)	(16,202)
Decrease/(increase) in prepayments, other receivables and other assets		17,966	(3,845)
Increase in trade payables		20,892	7,834
Increase in accruals and other payables		31,669	5,961
Increase in contract liabilities		1,045	3,144
Increase in deferred income	27	1,282	14,295
Cash used in operations		(286,832)	(260,348)
Income tax paid		(19,383)	(16,397)
Net cash flows used in operating activities		(306,215)	(276,745)

	Notes	Year ended 31 December 2023 RMB'000	Year ended 31 December 2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(269,482)	(96,639)
Purchases of intangible assets		(4,806)	(1,735)
Purchases of financial assets at fair value through profit or loss		–	(788,000)
Proceeds from redemption of financial assets at fair value through profit or loss		–	540,000
Increase in time deposits		(382,609)	(452,123)
Decrease in time deposits		–	108,642
Withdrawal of pledged deposits		446	38
Investment in an associate		–	(12,000)
Interest received from time deposits		11,753	11,788
Interest received from financial assets at fair value through profit or loss	*5*	–	1,417
Proceeds from disposal of property, plant and equipment		1,335	19
Proceeds from disposal of equity investments		104,109	86,846
Net cash flows used in investing activities		(539,254)	(601,747)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	*26*	1,375,000	600,000
Proceeds from bank borrowings		62,348	39,087
Repayment of bank borrowings		(20,985)	(21,320)
Payment of lease liabilities		(8,749)	(10,390)
Acquisition of non-controlling interests		(39,690)	(35,000)
Capital injection from non-controlling interests		8,824	–
Payments of issue cost for redemption liabilities on equity shares		(19,979)	(5,345)
Interest paid on bank borrowings		(5,802)	(7,513)
Net cash flows from financing activities		1,350,967	559,519

	Notes	Year ended 31 December 2023 RMB'000	Year ended 31 December 2024 RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		505,498	(318,973)
Cash and cash equivalents at beginning of year		285,153	790,824
Effect of foreign exchange rate changes, net		621	437
CASH AND CASH EQUIVALENTS AT END OF YEAR		791,272	472,288
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*21*	791,272	472,288
Pledged deposits		(448)	(410)
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position		790,824	471,878

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	31 December 2023	31 December 2024
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	55,936	61,873
Right-of-use assets	*14*	32,160	27,044
Intangible assets	*15*	6,979	7,110
Investments in subsidiaries		482,356	591,131
Investment in associates	*16*	2,598	2,598
Prepayments, other receivables and other assets	*19*	65,686	63,094
Time deposits	*21*	307,896	240,668
Total non-current assets		953,611	993,518
CURRENT ASSETS			
Inventories	*17*	14,801	13,007
Trade receivables	*18*	8,185	25,595
Prepayments, other receivables and other assets	*19*	156,073	198,726
Financial assets at fair value through profit or loss	*20*	–	103,188
Cash and cash equivalents	*21*	557,807	228,760
Time deposits	*21*	50,521	466,632
Total current assets		787,387	1,035,908
CURRENT LIABILITIES			
Trade payables	*22*	28,448	40,561
Contract liabilities	*23*	1,318	500
Other payables and accruals	*24*	173,250	53,545
Lease liabilities	*14*	6,954	9,321
Redemption liabilities on equity shares	*26*	2,347,039	2,801,313
Total current liabilities		2,557,009	2,905,240
NET CURRENT LIABILITIES		(1,769,622)	(1,869,332)
TOTAL ASSETS LESS CURRENT LIABILITIES		(816,011)	(875,814)

	Notes	31 December 2023	31 December 2024
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities	*14*	26,148	19,007
Deferred income	*27*	–	6,406
Total non-current liabilities		26,148	25,413
Net liabilities		(842,159)	(901,227)
EQUITY			
Share capital	*29*	52,219	59,049
Reserves	*31*	(894,378)	(960,276)
Total deficit		(842,159)	(901,227)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated as a limited liability company registered in the People's Republic of China (the "**PRC**") on 24 January 2005. On 28 March 2016, the Company was converted into a joint stock company with limited liability with registered capital of RMB20,336,000. The registered office of the Company is located at 1-2F, Building 1, No. 5, Tongji Middle Road, Beijing Economic-Technological Development Area, Beijing, China.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the research and development of radiopharmaceuticals.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Sinotau Cloud Pharmaceutical Technology Promotion Co., Ltd. (北京先通雲醫藥科技推廣有限公司*) *(note a)*	PRC/ Mainland China 27 August 2018	RMB5,000,000	100.00%	–	Marketing services
Beijing Sinotau Bio-pharmaceutical Technology Co., Ltd. (北京先通生物醫藥技術有限公司*) *(note a)*	PRC/ Mainland China 28 August 2014	RMB39,000,000	100.00%	–	Research and development
Beijing Sinotau Innovation Pharmaceutical Technology Co., Ltd. (北京先通科創醫藥科技有限公司*) *(note a)*	PRC/ Mainland China 31 May 2021	RMB130,000,000	100.00%	–	Research and development
Sichuan Sinotau Pharmaceuticals Co., Ltd. (四川先通醫藥有限公司*) *(note a)*	PRC/ Mainland China 18 June 2024	RMB20,000,000	100.00%	–	Sale of goods
Jiangsu Sinotau Pharmaceutical Co., Ltd. (江蘇先通醫藥有限公司*) *(note a)*	PRC/ Mainland China 17 May 2023	RMB30,000,000	100.00%	–	Sale of goods
Glotope Advanced Pharmaceutical Technology Ltd. (國通(成都)新藥技術有限公司*) *(note b)*	PRC/ Mainland China 3 June 2019	RMB113,970,586	56.77%	–	CRO/CDMO services
Shanghai Sinotau Biotech. Co., Ltd. (上海先通生物科技有限公司*) *(note a)*	PRC/ Mainland China 12 November 2021	RMB30,000,000	100.00%	–	Research and development
Henan Glotope Advanced Pharmaceutical Technology Co., Ltd. (河南國通新藥技術有限公司*) *(note a)*	PRC/ Mainland China 26 April 2024	RMB30,000,000	56.77%	–	CRO/CDMO services

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Soft Imaging Medical Technology Co., Ltd. (北京軟影醫學技術有限公司*) *(note a)*	PRC/ Mainland China 28 May 2024	RMB1,000,000	56.77%	–	CRO/CDMO services
Glotope (Mianyang) Advanced Pharmaceutical Technology Co., Ltd. (國通(綿陽)新藥技術有限公司*) *(note c)*	PRC/ Mainland China 19 January 2021	RMB60,000,000	56.77%	–	CRO/CDMO services
Guangdong Sinotau Molecular Imaging Technology Co., Ltd. (廣東先通分子影像科技有限公司*) *(note d)*	PRC/ Mainland China 28 August 2017	RMB63,000,000	56.77%	–	CRO/CDMO services
Jiangsu Sinotau Molecular Imaging Technology Co., Ltd. (江蘇先通分子影像科技有限公司*) *(note e)*	PRC/ Mainland China 13 December 2017	RMB71,428,571	56.77%	–	CRO/CDMO services
SINOTAU USA, INC. *(note a)*	United States of America 30 October 2015	USD1	100.00%	–	Investment holding

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have an official English names registered in the PRC.

Notes:

(a) As at the date of this report, no audited financial statements of these entities have been prepared for the years ended 31 December 2023 and 2024 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of their incorporation.

(b) The statutory financial statements of this entity for the year ended 31 December 2023 were audited by Sichuan Zhonghui Zhigu Certified Public Accountant Co., Ltd. (四川中匯智谷會計師事務所有限公司), certified public accountants registered in the PRC.

(c) The statutory financial statements of this entity for the year ended 31 December 2023 were audited by Sichuan Huashen Certified Public Accountant Co., Ltd. (四川華審會計師事務所有限公司), certified public accountants registered in the PRC.

(d) The statutory financial statements of this entity for the year ended 31 December 2023 were audited by Zhongshan Huihua Certified Public Accountant (General Partnership) (中山市匯華會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(e) The statutory financial statements of this entity for the year ended 31 December 2023 were audited by Jiangshu Zhongzheng Certified Public Accountant Co., Ltd. (江蘇中證會計師事務所有限公司), certified public accountants registered in the PRC.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial investments at fair value through profit or loss and redemption liabilities on equity shares which have been measured at fair value.

The Group incurred continuous losses during the Relevant Periods due to the research and development of radiopharmaceuticals. The Group recorded net liabilities of RMB1,170,705,000 and net current liabilities of RMB1,912,039,000 as at 31 December 2024, primarily due to the significant amount of the redemption liabilities on equity shares of RMB3,094,254,000 arising from the financing with redemption rights and liquidation rights from Pre-**[REDACTED]** investors. In the opinion of the directors of the Company, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements for the next twelve months after 31 December 2024. This is due to the following considerations:

(a) The primary causes for the net liabilities and accumulated losses as at 31 December 2024 are the significant amount of redemption liabilities on equity shares, details of which are included in note 26 to the Historical Financial Information. These fair value changes will not affect the future cash flows of the Group. The redemption rights in the Company's shares will cease to be effective from the date before the date of the first submission of the first **[REDACTED]** for the **[REDACTED]** of the shares of the Company on the Stock Exchange ("**[REDACTED]**") and shall be reinstated in the event where (i) the application for the **[REDACTED]** is withdrawn, rejected or becomes invalid and the Company fails to re-submit the application in six months after the invalidation, or (ii) the Company fails to complete the **[REDACTED]** before the earlier date of 18 months after the submission of application and 31 December 2026. Further, redemption liabilities on equity shares of the Company will be derecognized from liabilities as a result of the termination of all special rights upon the **[REDACTED]**. Based on the latest application status, the directors of the Company are of the opinion that the Company is expected to complete the **[REDACTED]** successfully within 18 months from the application and therefore the redemption feature will unlikely be restored in the twelve months from 31 December 2024.

(b) The Group had cash and cash equivalents of RMB471,878,000, time deposits of RMB772,446,000 that were available for withdrawal at any time and structured deposits with a general maturity term ranging from 41 days to 185 days as at 31 December 2024;

(c) The Group had unutilised banking facilities of RMB75,000,000 that would be valid for twelve months after 31 December 2024; and

(d) The Group has performed a cash flow forecast for the next twelve months after 31 December 2024. Based on the rigorous review of the forecast, the directors of the Company are satisfied that the Group would have sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group for next twelve months from 31 December 2024, including cash and cash equivalents, time deposits and the estimated net **[REDACTED]** from the **[REDACTED]**. Therefore, the directors of the Company assessed that the Group can operate as a going concern in the foreseeable future.

Basis of consolidation

The Historical Financial Information include the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable when they become effective.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Sarandards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] No mandatory effective date yet determined but available for adoption

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

The Group measures its financial investments at fair value through profit or loss and financial liabilities at fair value through profit or loss at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives and estimated residual values used for this purpose are as follows:

Categories	**Estimated useful lives**	**Estimated residual value rate**
Buildings	10-30 years	5%
Machinery	3-10 years	5%
Electronic equipment	3-5 years	5%
Motor vehicles	5 years	5%
Office furniture	3-5 years	5%
Leasehold improvements	Calculated on the shorter of estimated useful lives or remaining lease terms	–

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 3-10 years. The estimated useful life of software is determined by considering the period of the economic benefits to the Group as well as by referring to the industry practice.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	13 to 65 months
Leasehold Land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach under certain circumstances as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accurals, interest-bearing bank borrowings and financial liabilities at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted moving average basis and, in the case of work in progress and finished foods, comprise direct materials and an appropriate portion of subcontracting charges and overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customers, generally on acceptance by the customers.

Some contracts for the sale of goods provide customers with rights of return, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Licenses of intellectual property

Upfront payments

Upfront non-refundable payments for licenses are evaluated to determine if they are distinct from the other performance obligations identified in the arrangements. For the licenses determined to be distinct, the Group recognises revenues from non-refundable up-front fees allocated to the licenses at a point in time, when the licenses are transferred to the licensee and the licensee is able to use and benefit from the licenses.

Milestone payments

At the inception of each arrangement that includes development milestone payments, the management of the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The management of the Company will assess whether the variable consideration is fully constrained for each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognised is not expected to occur and allocated to the separate performance obligations. Due to the inherent uncertainty with the approval process, regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the Licenses that are deemed to be the predominant items to which the royalties relate, the Group recognises revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalties have been allocated is satisfied (or partially satisfied).

(c) Research and development services

The Contract Research Organization and Contract Development and Manufacturing Organization ("**CRO/CDMO**") services are integrated services including project management, drug manufacturing, development, optimisation, trial production, and other relevant services. The duration of the contracts ranges from months to year. The contracts contain multiple deliverable units, which are generally in the form of technical laboratory reports, samples and/or products for manufacturing, and each deliverable unit has an individual selling price specified within the contract. The Group has assessed whether each deliverable is distinct to determine the performance obligation within the contract. Any deliverable in the contract is identified as a performance obligation if the deliverable is distinct. If the deliverables are highly interdependent or highly interrelated, those deliverables are not separately identifiable, and are combined into a single performance obligation.

(d) Marketing services

The marketing services is recognised over time, using an output method to measure progress towards the units services transferred to the customer.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates restricted share unit scheme and share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined based on the backsolve method of the market approach and equity value allocation model or the market-based valuation technique, further details of which are given in note 30 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by local municipal governments. These entities are required to contribute certain percentages of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Group's entities not operating in Mainland China are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into the RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the monthly weighted average exchange rates for the respective year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of an entity not operating in Mainland China, the cumulative amount in the reserve relating to that particular entity is recognised in the statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of the Group's entities not operating in Mainland China are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout a particular year are translated into RMB at the monthly weighted average exchange rates for the respective year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Research and development costs

Development expenses incurred on the Group's product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Relevant Periods, all expenses incurred for research and development activities were expensed when incurred.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimation of fair value of redemption liabilities on equity shares

The fair value of the redemption liabilities is determined based on the backsolve method of the market approach. The backsolve method of the market approach was used to determine the total equity value of the Group and then equity allocation based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of the redemption liabilities. The Group classified the fair value of the redemption Liabilities as Level 3. The fair value of the redemption liabilities were RMB2,629,544,000 and RMB3,094,254,000 at 31 December 2023 and 2024, respectively. Further details are included in note 26 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Estimation uncertainty

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. There was no deferred tax assets recognised for tax losses as at 31 December 2023 and 2024. Further details are contained in note 28 to the Historical Financial Information.

Share-based payment expense

The Group has granted restricted shares and share options to the Group's employees. The Company has engaged an independent valuer to determine the fair value of the options granted to employees, which is expensed over the vesting periods. Unobservable inputs such as the risk-free rate, volatility and discount for lack of marketability, etc. are used in determining the fair value of the share-based payment expense.

4. OPERATING SEGMENT INFORMATION

For management purposes, during the Relevant Periods, the Group has only one reportable operating segment, which is research and development of radiopharmaceuticals. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Mainland China	10,232	44,064
Total revenue	10,232	44,064

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

(b) Non-current assets

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Mainland China	693,844	702,304
United States of America	19	18
Total non-current assets	693,863	702,322

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

Information about major customers

During the Relevant Periods, revenues from transactions with single external customers (including entities under common control with those customers) amounting to 10% or more of the Group's revenues are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Customer A	5,151	6,459
Duality Biologics (Suzhou) Co., Ltd.	3,748	6,703
Customer E	–	19,380
Customer F	–	7,547

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	10,232	44,064

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Types of goods and services		
Sale of goods	881	3,742
Licensing income (i)	3,248	6,703
CRO/CDMO services	952	27,160
Marketing services	5,151	6,459
Total	10,232	44,064
Geographical market		
Mainland China	10,232	44,064
Timing of revenue recognition		
Goods and services transferred at a point in time	5,081	37,605
Services transferred over time	5,151	6,459
Total revenue from contracts with customers	10,232	44,064

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of the respective period:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Sale of goods	–	1,049

(i) In November 2021 and March 2024, the Company entered into a series of exclusive license agreements with Duality Biologics (Suzhou) Co., Ltd. to research, develop, improve, manufacture, use, sell, contract and commercialize Her3 bispecific and multi-specific antibodies globally, pursuant to which, the Company is entitled to receive upfront payment, milestone payment and royalty payment for licensing.

(b) Performance obligations

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

Sale of goods

The performance obligation is satisfied upon acceptance by the customers, i.e., at a point in time. The payment terms are usually negotiated between the Group and the customers on an individual contract basis and the payment is generally due within 30 days to 280 days after the acceptance by the customers.

Marketing services

The marketing services is recognised over time, using an output method to measure progress towards the units services transferred to the customer.

Licensing income

The Group generates revenue from licensing of intellectual property ("**IP**") to customers. As the customers are able to direct the use of, and obtain substantially all of the benefits from, the licence at the time control of the licence is transferred to the licensee, the licences that provide a right to use an entity's IP are performance obligations satisfied at a point in time. Revenue is recognised when or as control of the licences is transferred to the licensee.

The Group recognises revenue for a sales-based or usage-based royalty promised in exchange for a licence of IP only when (or as) the later of the following events occurs:

- the subsequent sale or usage occurs; and
- the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

Revenue from CRO/CDMO services

The CRO/CDMO services are integrated services including project management, drug manufacturing, development, optimisation, trial production, and other relevant services. The duration of the contracts ranges from months to year. The contracts contain multiple deliverable units, which are generally in the form of technical laboratory reports, samples and/or products for manufacturing, and each deliverable unit has an individual selling price specified within the contract. The Group has assessed whether each deliverable is distinct to determine the performance obligation within the contract. Any deliverable in the contract is identified as a performance obligation if the deliverable is distinct. If the deliverables are highly interdependent or highly interrelated, those deliverables are not separately identifiable, and are combined into a single performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If none of the above criteria is met, the Group recognises revenue at the point in time when the customer obtains control of the distinct good or service.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of each of the Relevant Periods:

	31 December 2023	**31 December 2024**
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
With one year	–	21,458
After one year	795,133	1,362,215
Total	795,133	1,383,673

	Year ended 31 December 2023	**Year ended 31 December 2024**
	RMB'000	*RMB'000*
Other income		
Bank interest income	15,682	23,283
Government grant*	4,689	1,438
Others	49	1,046
Total other income	20,420	25,767
Gains		
Fair value gains on financial assets at fair value through profit or loss, net	–	706
Gains on disposal of financial assets at fair value through profit or loss, net	–	1,417
Gains on disposal of equity investments**	116,862	73,090
Total gains	116,862	75,213
Total other income and gains	137,282	100,980

* Various government grants during the Relevant Periods were mainly attributable to the Group's research and development of radiopharmaceuticals. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these government grants.

** SINOTAU USA INC, one of the Company's subsidiaries, disposed of its equity investment in Cerveau Technologies, Inc. and Meilleur Technologies, Inc. in 2023 and 2024, respectively. The considerations include upfront payment, milestone payment and royalties related to the respective pipelines of Cerveau Technologies, Inc. and Meilleur Technologies, Inc..

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Notes	**Year ended 31 December 2023** *RMB'000*	**Year ended 31 December 2024** *RMB'000*
Cost of goods sold		8	2,738
Write-down/(reversal of write-down) of inventories to net realisable value		2,897	(116)
Cost of services provided		29,630	38,064
Depreciation of property, plant and equipment	*13*	23,899	52,067
Depreciation of right-of-use assets	*14*	7,901	9,541
Amortisation of intangible assets	*15*	702	1,040
Research and development costs**		198,902	129,677
Auditor's remuneration		–	–
Employee benefit expenses (including directors' and chief executive's remuneration):			
Wages and salaries		127,291	159,353
Social welfare benefits		4,707	5,826
Share-based payments		33,618	25,913
Pension scheme contribution (defined contribution scheme)		8,192	10,202
		173,808	201,294
Loss on disposal of property, plant and equipment*		34	9
Penalties*		179	74
Foreign exchange differences, net*		57	103

* These items are included in "Other expenses" in the consolidated statements of profit or loss.

** Depreciation, amortisation, and employee benefit expense are excluded in research and development costs disclosed above.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December 2023 *RMB'000*	Year ended 31 December 2024 *RMB'000*
Transaction cost for issuance of redemption liabilities on equity shares	19,979	5,345
Interest on bank borrowings	5,872	7,476
Interest on lease liabilities *(note 14)*	2,070	1,946
Less: interest capitalised	(3,269)	(4,035)
Total	24,652	10,732

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December 2023 *RMB'000*	Year ended 31 December 2024 *RMB'000*
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	1,260	1,236
Performance related bonuses	750	582
Share-based payment expense	22,951	14,051
Pension scheme contributions	75	81
Subtotal	25,036	15,950
Total	25,036	15,950

During and prior to the Relevant Periods, certain directors were granted share options and restricted shares of the Company in respect of their services to the Group, under the share-based incentive scheme of the Group, further details of which are set out in note 30 to the Historical Financial Information. The fair value of such share options and restricted shares, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors' and chief executive's remuneration disclosures.

The remuneration of each of the Company's directors and the chief executive is set out below:

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Chief executive and executive director:						
Mr. Xu Xinsheng (i)	–	553	375	14,882	27	15,837
Executive directors:						
Mr. Chu Wei (ii)	–	154	–	–	21	175
Ms. Tang Yanmin (iii)	–	553	375	8,069	27	9,024
Non-executive directors:						
Mr. Chen Daojin (iv)	–	–	–	–	–	–
Dr. Zhang Yingjie (v)	–	–	–	–	–	–
Mr. Ye Suofu (vi)	–	–	–	–	–	–
Mr. Hao Bonan (vii)	–	–	–	–	–	–
Ms. Zhao Yanping (viii)	–	–	–	–	–	–
Ms. Zou Min (ix)	–	–	–	–	–	–
Mr. Zhang Tao (x)	–	–	–	–	–	–
Ms. Liang Ying (xi)	–	–	–	–	–	–
Total	–	1,260	750	22,951	75	25,036

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Chief executive and executive director:						
Mr. Xu Xinsheng (i)	–	544	291	273	31	1,139
Executive directors:						
Mr. Chu Wei (ii)	–	148	–	–	19	167
Ms. Tang Yanmin (iii)	–	544	291	13,778	31	14,644
Non-executive directors:						
Mr. Chen Daojin (iv)	–	–	–	–	–	–
Dr. Zhang Yingjie (v)	–	–	–	–	–	–
Mr. Ye Suofu (vi)	–	–	–	–	–	–
Mr. Hao Bonan (vii)	–	–	–	–	–	–
Ms. Zhao Yanping (viii)	–	–	–	–	–	–
Ms. Zou Min (ix)	–	–	–	–	–	–
Mr. Zhang Tao(x)	–	–	–	–	–	–
Total	–	1,236	582	14,051	81	15,950

(i) Mr. Xu Xinsheng was appointed as an executive director and the chief executive director of the Company with effect from 1 November 2007.

(ii) Mr. Chu Wei was appointed as a director of the Company with effect from 6 March 2015.

(iii) Ms. Tang Yanmin was appointed as a director of the Company with effect from 24 March 2016.

(iv) Mr. Chen Daojin was appointed as a director of the Company with effect from 24 September 2021.

(v) Dr. Zhang Yingjie was appointed as a director of the Company with effect from 6 March 2015.

(vi) Mr. Ye Suofu was appointed as a director of the Company with effect from 3 August 2023.

(vii) Mr. Hao Bonan was appointed as a director of the Company with effect from 22 April 2022.

(viii) Ms. Zhao Yanping was appointed as a director of the Company with effect from 22 August 2018.

(ix) Ms. Zou Min was appointed as a director of the Company with effect from 11 November 2022.

(x) Mr. Zhang Tao was appointed as director of the Company with effect from 3 August 2023.

(xi) Ms. Liang Ying was appointed as a director of the Company with effect from 22 January 2021, resigned on 18 June 2023.

There was no arrangement under which a director or the chief executive of the Company waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

Included in the five highest paid employees during the Relevant Periods were two and one director(s) and/or chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three and four highest paid employees who are neither a director nor chief executive of the Company for the years ended 31 December 2023 and 2024, respectively, are as follows:

	Year ended 31 December 2023	**Year ended 31 December 2024**
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	3,195	4,416
Performance related bonuses	1,575	3,074
Equity-settled share-based payment expense	4,321	1,855
Pension scheme contributions	158	210
Total	9,249	9,555

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December 2023	**Year ended 31 December 2024**
	RMB'000	*RMB'000*
HK$1,500,001 to HK$2,000,000	–	1
HK$2,500,001 to HK$3,000,000	1	2
HK$3,000,001 to HK$3,500,000	1	1
HK$4,000,001 to HK$4,500,000	1	–
Total	3	4

During and prior to the Relevant Periods, certain non-director and non-chief executive highest paid employees were granted restricted stocks of the Company in respect of their services to the Group, under the share-based incentive schemes of the Group, further details of which are set out in note 30 to the Historical Financial Information. The fair value of such restricted stocks, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in Mainland China are subject to corporate income tax ("**CIT**") at a rate of 25% on the taxable income during the Relevant Periods except for the Company which was subject to tax concession set out below.

The Company was accredited as a "High and New Technology Enterprise" ("**HNTE**") in 2022. Therefore, the Company was entitled to a preferential CIT rate of 15% for the Relevant Periods. The qualification as a HNTE Enterprise is subject to review by the relevant tax authority in the PRC every three years.

United States of America

The subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% during the Relevant Periods.

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Current tax charged for the year	19,383	16,397

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Loss before tax	(289,851)	(139,719)
Tax at the statutory tax rate of 25%	(72,463)	(34,930)
Effect of different tax rates	26,467	15,270
Effect of share of results of profits and losses attributable to associates	935	1,828
Expenses not deductible for tax	1,375	132
Additional deductible allowance for research and development expenses	(44,234)	(36,021)
Deductible temporary differences and tax losses not recognised	107,303	70,188
Tax charge at the Group's effective rate	19,383	16,397

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

11. DIVIDENDS

There was no dividend declared or paid by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to the ordinary equity holders of the parent, and the weighted average number of ordinary shares of 44,157,315 and 52,648,177 in issue during the Relevant Periods.

The calculation of the diluted loss per share is based on the loss for the year attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive impact of the change in fair value of redemption liabilities on equity shares. The weighted average number of ordinary shares used in the calculation of diluted loss per share is based on the number of ordinary shares used in the basic loss per share calculation adjusted for the dilutive effect of redemption liabilities on equity shares.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(297,101)	(149,286)
Less: change in fair value of redemption liabilities on equity shares that have dilutive effect	55,324	65,223
Loss attributable to ordinary equity holders of the parent, used in the diluted loss per share calculation	(352,425)	(214,509)

	Number of shares	
	Year ended 31 December 2023	Year ended 31 December 2024
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	44,157,315	52,648,177
Effect of dilution – weighted average number of ordinary shares:		
Redemption liabilities on equity shares that have dilutive effect	7,209,861	11,521,230
Weighted average number of ordinary shares in issue during the year used in the diluted loss per share calculation	51,367,176	64,169,407

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Electronic equipment	Motor vehicles	Office furniture	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	51,703	57,151	5,365	328	9,618	14,236	127,032	265,433
Accumulated depreciation	(2,058)	(12,472)	(2,213)	(29)	(1,655)	(2,719)	–	(21,146)
Net carrying amount	49,645	44,679	3,152	299	7,963	11,517	127,032	244,287
At 1 January 2023, net of accumulated depreciation	49,645	44,679	3,152	299	7,963	11,517	127,032	244,287
Additions	–	21,570	1,002	–	1,653	11,052	256,116	291,393
Disposals	–	(1,335)	–	–	–	–	–	(1,335)
Transfer	129,228	39,378	408	106	3,152	–	(172,272)	–
Depreciation provided during the year	(4,944)	(12,108)	(1,513)	(69)	(2,196)	(3,069)	–	(23,899)
At 31 December 2023, net of accumulated depreciation	173,929	92,184	3,049	336	10,572	19,500	210,876	510,446
At 31 December 2023:								
Cost	180,931	116,764	6,775	434	14,423	25,288	210,876	555,491
Accumulated depreciation	(7,002)	(24,580)	(3,726)	(98)	(3,851)	(5,788)	–	(45,045)
Net carrying amount	173,929	92,184	3,049	336	10,572	19,500	210,876	510,446

The Group

	Buildings	Machinery	Electronic equipment	Motor vehicles	Office furniture	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024								
At 1 January 2024								
Cost	180,931	116,764	6,775	434	14,423	25,288	210,876	555,491
Accumulated depreciation	(7,002)	(24,580)	(3,726)	(98)	(3,851)	(5,788)	–	(45,045)
Net carrying amount	173,929	92,184	3,049	336	10,572	19,500	210,876	510,446
At 1 January 2024, net of accumulated depreciation	173,929	92,184	3,049	336	10,572	19,500	210,876	510,446
Additions	–	23,924	690	–	953	3,273	40,030	68,870
Disposals	–	(6)	–	–	(12)	–	–	(18)
Transfer	160,550	21,040	87	–	776	–	(182,453)	–
Depreciation provided during the year	(22,126)	(21,766)	(1,696)	(82)	(2,973)	(3,424)	–	(52,067)
At 31 December 2024, net of accumulated depreciation	312,353	115,376	2,130	254	9,316	19,349	68,453	527,231
At 31 December 2024:								
Cost	341,483	161,722	7,552	434	16,140	28,561	68,453	624,345
Accumulated depreciation	(29,130)	(46,346)	(5,422)	(180)	(6,824)	(9,212)	–	(97,114)
Net carrying amount	312,353	115,376	2,130	254	9,316	19,349	68,453	527,231

As at 31 December 2023 and 2024, certain buildings with a net carrying amount of approximately RMB48,324,000 and RMB45,575,000, respectively, were pledged to secure general banking facilities and other borrowings granted to the Group (note 25).

The Company

	Machinery	Electronic equipment	Office furniture	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023					
Cost	28,164	2,580	6,654	18,953	56,351
Accumulated depreciation	(8,647)	(967)	(1,560)	(2,720)	(13,894)
Net carrying amount	19,517	1,613	5,094	16,233	42,457
At 1 January 2023, net of accumulated depreciation	19,517	1,613	5,094	16,233	42,457
Additions	20,801	605	1,633	2,096	25,135
Disposals	(464)	–	–	–	(464)
Depreciation provided during the year	(6,633)	(885)	(1,440)	(2,234)	(11,192)
At 31 December 2023, net of accumulated depreciation	33,221	1,333	5,287	16,095	55,936
At 31 December 2023:					
Cost	48,501	3,185	8,287	21,049	81,022
Accumulated depreciation	(15,280)	(1,852)	(3,000)	(4,954)	(25,086)
Net carrying amount	33,221	1,333	5,287	16,095	55,936

The Company

	Machinery	Electronic equipment	Office furniture	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	48,501	3,185	8,287	21,049	81,022
Accumulated depreciation	(15,280)	(1,852)	(3,000)	(4,954)	(25,086)
Net carrying amount	33,221	1,333	5,287	16,095	55,936
At 1 January 2024, net of accumulated depreciation	33,221	1,333	5,287	16,095	55,936
Additions	18,861	150	5	2,321	21,337
Disposals	(7)	–	(13)	–	(20)
Depreciation provided during the year	(10,601)	(857)	(1,570)	(2,352)	(15,380)
At 31 December 2024, net of accumulated depreciation	41,474	626	3,709	16,064	61,873
At 31 December 2024:					
Cost	67,355	3,335	8,280	23,370	102,340
Accumulated depreciation	(25,881)	(2,709)	(4,571)	(7,306)	(40,467)
Net carrying amount	41,474	626	3,709	16,064	61,873

14. LEASES

The Group as a lessee

The Group has certain lease contracts for land use right and various items of office premises used in its operations. Land use right has term for usage of approximately 50 years and lease of office premises generally have lease terms between 2 to 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Land use right	Office premises	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	35,269	46,140	81,409
Additions	–	370	370
Early termination of leases	–	(225)	(225)
Depreciation charges	(745)	(7,156)	(7,901)
As at 31 December 2023 and 1 January 2024	34,524	39,129	73,653
Additions	–	5,726	5,726
Early termination of leases	–	(361)	(361)
Depreciation charge	(745)	(8,796)	(9,541)
As at 31 December 2024	33,779	35,698	69,477

As at 31 December 2023 and 2024, certain land use right with a net carrying amount of approximately RMB34,524,000 and RMB33,779,000, respectively, were pledged to secure general banking facilities and other borrowings granted to the Group (note 25).

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Carrying amount at beginning of year	47,276	40,967
New leases	358	5,699
Accretion of interest recognised during the year	2,070	1,946
Payments	(8,737)	(10,364)
Carrying amount at 31 December	40,967	38,248
Analysed into:		
Current portion	6,954	9,321
Non-current portion	34,013	28,927

The maturity analysis of the Group's lease liabilities is disclosed in note 37 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

Group

	Year ended 31 December 2023 *RMB'000*	Year ended 31 December 2024 *RMB'000*
Interest on lease liabilities	2,070	1,946
Depreciation charge of right-of-use assets	7,901	9,541
Expense relating to short-term leases included in profit or loss	719	1,928
Total amount recognised in profit or loss	10,690	13,415

(d) The total cash outflow for leases is disclosed in note 32(c) to the Historical Financial Information.

The Company as a lessee

(a) ***Right-of-use assets***

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises *RMB'000*
As at 1 January 2023	37,658
Depreciation charges	(5,498)
As at 31 December 2023 and 1 January 2024	32,160
Additions	449
Depreciation charge	(5,565)
As at 31 December 2024	27,044

(b) ***Lease liabilities***

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December 2023 *RMB'000*	Year ended 31 December 2024 *RMB'000*
Carrying amount at beginning of year	38,107	33,102
New leases	–	448
Accretion of interest recognised during the year	1,666	1,430
Payments	(6,671)	(6,652)
Carrying amount at 31 December	33,102	28,328
Analysed into:		
Current portion	6,954	9,321
Non-current portion	26,148	19,007

15. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
31 December 2023	
At 1 January 2023	
Cost	4,563
Accumulated amortisation	(936)
Net carrying amount	3,627
At 1 January 2023, net of accumulated amortisation	3,627
Additions	4,806
Amortisation provided during the year	(702)
At 31 December 2023, net of accumulated amortisation	7,731
At 31 December 2023 and 1 January 2024	
Cost	9,370
Accumulated amortisation	(1,639)
Net carrying amount	7,731
At 1 January 2024, net of accumulated amortisation	7,731
Additions	1,735
Amortisation provided during the year	(1,040)
At 31 December 2024, net of accumulated amortisation	8,426
At 31 December 2024	
Cost	11,105
Accumulated amortisation	(2,679)
Net carrying amount	8,426

The Company

	Software
	RMB'000
31 December 2023	
At 1 January 2023	
Cost	4,179
Accumulated amortisation	(877)
Net carrying amount	3,302
At 1 January 2023, net of accumulated amortisation	3,302
Additions	4,320
Amortisation provided during the year	(643)
At 31 December 2023, net of accumulated amortisation	6,979
At 31 December 2023	
Cost	8,499
Accumulated amortisation	(1,520)
Net carrying amount	6,979
At 1 January 2024	
Cost	8,499
Accumulated amortisation	(1,520)
Net carrying amount	6,979
At 1 January 2024, net of accumulated amortisation	6,979
Additions	994
Amortisation provided during the year	(863)
At 31 December 2024, net of accumulated amortisation	7,110
At 31 December 2024	
Cost	9,493
Accumulated amortisation	(2,383)
Net carrying amount	7,110

16. INVESTMENTS IN ASSOCIATES

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Share of net assets	23,306	12,505

The Group's associates operate in Mainland China and the United States. The following table illustrates the aggregate financial information of the Group's associates:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Share of the associates' loss for the year	6,344	8,111
Share of the associates' total comprehensive loss	6,344	8,111
Aggregate carrying amount of the Group's investments in associates	23,306	12,505

Particulars of the associates are as follows:

31 December 2023

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd	Ordinary shares	PRC/Mainland China	8.8%	Research and development services
Joinn (Wuxi) New Drug Research Center Co., Ltd	Ordinary shares	PRC/Mainland China	20.0%	Research and development services
Meilleur Technologies, Inc.	Ordinary shares	United States of America	29.45%	Research and development services

31 December 2024

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd	Ordinary shares	PRC/Mainland China	8.8%	Research and development services
Wuxi Saifu Guotong Pharmaceutical Technology Co., Ltd	Ordinary shares	PRC/Mainland China	40.0%	Research and development services

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Unlisted investment, at cost	2,598	2,598

17. INVENTORIES

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Raw materials	14,438	17,403
Work in progress	6,312	10,169
Finished goods	332	210
Total	21,082	27,782

As at 31 December 2023 and 2024, the inventories were net of a write-down of approximately RMB2,897,000 and RMB2,781,000, respectively.

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Raw materials	10,495	12,152
Work in progress	4,019	693
Finished goods	287	162
Total	14,801	13,007

As at 31 December 2023 and 2024, the inventories were net of a write-down of approximately RMB2,897,000 and RMB2,781,000, respectively.

18. TRADE RECEIVABLES

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Trade receivables	9,697	25,899
Impairment	(640)	(1,897)
Net carrying amount	9,057	24,002

The Group's trade receivables are settled in accordance with the terms of the respective contracts. The Group generally allows a credit period of 30 days to 280 days its customers upon customers' acceptance. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The directors of the Company are of the view that there has been no significant increase in credit risk of default because the amounts are from customers with good reputation or good payment record. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's associates of RMB240,000 as at 31 December 2024, which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the goods or service acceptance date and net of loss allowance, is as follows:

	31 December 2023	**31 December 2024**
	RMB'000	*RMB'000*
Within 1 year	6,263	21,209
1 to 2 years	2,794	1,311
2 to 3 years	–	1,482
Total	9,057	24,002

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December 2023	**Year ended 31 December 2024**
	RMB'000	*RMB'000*
At beginning of year	355	640
Impairment losses	285	1,257
At end of year	640	1,897

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are determined based on the ageing for groupings of various customer segments with similar loss patterns, and with reference to those of other market practitioners in related industries. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. When there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

Collectively assessed:

As at 31 December 2023

	Past due		
	Within 1 year	**1 to 2 years**	**Total**
Expected credit loss rate	5.00%	10.00%	6.60%
Gross carrying amount *(RMB'000)*	6,592	3,105	9,697
Expected credit losses *(RMB'000)*	330	310	640

As at 31 December 2024

	Past due			
	Within 1 year	**1 to 2 years**	**2 to 3 years**	**Total**
Expected credit loss rate	5.00%	10.00%	30.00%	7.32%
Gross carrying amount *(RMB'000)*	22,325	1,457	2,117	25,899
Expected credit losses *(RMB'000)*	1,116	146	635	1,897

The Company

	31 December 2023	**31 December 2024**
	RMB'000	*RMB'000*
Trade receivables	8,620	26,637
Impairment	(435)	(1,042)
Net carrying amount	8,185	25,595

Included in the Company's trade receivable balances as at 31 December 2023 and 2024 are amounts due from subsidiaries of RMB1,140,000 and RMB14,466,000, respectively, which are repayable on terms mutually agreed among the entities involved.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the goods/services acceptance date and net of loss allowance, is as follows:

	31 December 2023	**31 December 2024**
	RMB'000	*RMB'000*
Within 1 year	7,081	23,330
1 to 2 years	1,104	1,244
2 to 3 years	–	1,021
Total	8,185	25,595

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December 2023	**Year ended 31 December 2024**
	RMB'000	*RMB'000*
At beginning of year	61	435
Impairment loss	374	607
At end of year	435	1,042

No impairment provision is made against the trade receivables from subsidiaries because the management considered that the expected credit loss rate with respect to the trade receivables from subsidiaries is minimal.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix.

Collectively assessed:

As at 31 December 2023

	Past due		
	Within 1 year	**1 to 2 years**	**Total**
Expected credit loss rate	4.22%	10.02%	5.05%
Gross carrying amount *(RMB'000)*	7,393	1,227	8,620
Expected credit losses *(RMB'000)*	312	123	435

As at 31 December 2024

	Past due			
	Within 1 year	**1 to 2 years**	**2 to 3 years**	**Total**
Expected credit loss rate	1.96%	9.98%	29.99%	3.91%
Gross carrying amount *(RMB'000)*	23,797	1,383	1,457	26,637
Expected credit losses *(RMB'000)*	467	138	437	1,042

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December 2023	**31 December 2024**
	RMB'000	*RMB'000*
Current:		
Prepayments	28,002	24,413
Other receivables	6,121	6,857
Total	34,123	31,270
Non-current:		
Prepayments for long-term assets	25,394	20,014
Prepayment for in-license	10,447	8,706
Value-added tax recoverable	38,169	53,015
Others	4,717	2,948
Total	78,727	84,683

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Current:		
Prepayments	25,872	22,619
Other receivables	2,349	2,311
Due from subsidiaries	127,852	173,796
Total	156,073	198,726
Non-Current:		
Prepayments for long-term assets	27,285	18,317
Prepayment for in-license	10,447	8,706
Value-added tax recoverable	27,954	36,071
Total	65,686	63,094

The Company's amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The financial assets included in the above balances relate to receivable for which there was no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, therefore, the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Current:		
Structured deposits	–	248,706

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Current:		
Structured deposits	–	103,188

The structured deposits were issued by commercial banks operating in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The fair values are based on net asset value of underlying investment within Level 2 of the fair value hierarchy.

21. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Cash and bank balances	791,272	472,288
Time deposits	416,537	772,446
Subtotal	1,207,809	1,244,734
Less: Pledged deposits	(448)	(410)
Time deposits with maturity date within one year	(108,641)	(531,778)
Time deposits with maturity date over one year	(307,896)	(240,668)
Cash and cash equivalents	790,824	471,878

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Cash and bank balances	557,807	228,760
Time deposits	358,417	707,300
Subtotal	916,224	936,060
Less: Time deposits with maturity date within one year	(50,521)	(466,632)
Time deposits with maturity date over one year	(307,896)	(240,668)
Cash and cash equivalents	557,807	228,760

At the end of each of the Relevant Periods, the Group's cash and bank balances denominated in USD amounted to RMB86,703,000 and RMB151,099,000 as at 31 December 2023 and 2024, respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between 1 month and 11 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

The Group

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Within 1 year	26,592	33,722
1 to 2 years	112	784
More than 2 years	–	32
Total	26,704	34,538

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Within 1 year	28,448	40,561
Total	28,448	40,561

The trade payables are non-interest-bearing and are normally settled within 90 days.

Included in the Company's trade payable balance as of 31 December 2023 and 2024 are amounts due to subsidiaries of RMB3,676,000 and RMB9,738,000, respectively, which are repayable on terms mutually agreed among the entities involved.

23. CONTRACT LIABILITIES

The Group

An analysis of contract liabilities is as follows:

	1 January 2023	31 December 2023	31 December 2024
Short-term advances received from customers	–	1,469	4,613

The Company

An analysis of contract liabilities is as follows:

	1 January 2023	31 December 2023	31 December 2024
Short-term advances received from customers	–	1,318	500

Contract liabilities include short-term advances received to deliver goods and render services.

24. OTHER PAYABLES AND ACCRUALS

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Current		
Payroll and welfare payables	28,279	32,275
Other tax payables	2,371	1,235
Other payables	88,960	58,521
– Payables for acquisition of long-lived assets	63,764	30,221
– Government grants	18,310	19,510
– Others	6,886	8,790
Subtotal	119,610	92,031
Non-current		
Other payables	6,904	6,481
Subtotal	6,904	6,481
Total	126,514	98,512

Other payables are non-interest-bearing and have an average term within one year.

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Current		
Payroll and welfare payables	20,674	21,837
Other tax payables	306	147
Other payables	152,270	31,561
– Payables for acquisition of long-lived assets	1,760	549
– Due to subsidiaries	147,329	23,929
– Others	3,181	7,083
Total	173,250	53,545

Other payables are non-interest-bearing and have an average term within one year.

25. INTEREST-BEARING BANK BORROWINGS

The Group

	2023			2024		
	Effective interest rate *(%)*	**Maturity**	*RMB'000*	**Effective interest rate** *(%)*	**Maturity**	*RMB'000*
Current						
Bank loans-secured	4.0%	2024	13,145	3.5%-4.0%	2025	10,558
Bank loans-secured			–	4.0%	On demand	2,550
			13,145			13,108
Non-current						
Bank loans-secured	3.85%-5.05%	2025-2031	129,328	3.50%-4.85%	2026-2034	147,095
			129,328			147,095
			142,473			160,203

	31 December 2023 *RMB'000*	**31 December 2024** *RMB'000*
Analysed into:		
Bank loans		
Within one year or on demand	13,145	13,108
In the second year	6,250	–
In the third to fifth year, inclusive	53,000	82,095
Beyond five years	70,078	65,000
	142,473	160,203

The Group's interest-bearing bank borrowings are secured RMB-denominated loans which are due to mature in accordance with repayment terms set out in the respective loan agreements.

As at 31 December 2023 and 2024, the bank loans amounting to RMB120,078,000 and RMB147,095,000, respectively, were secured by certain of the Group's buildings and land use rights.

As at 31 December 2023 and 2024, the bank loan from the Agricultural Bank of China with maturity date of 15 April 2030, amounting to RMB38,078,000 and RMB34,595,000, respectively, are subject to covenants that require debt-to-asset ratio of Guangdong Sinotau Molecular Imaging Technology Co., Ltd. not to exceed 90%. As at 31 December 2023 and 2024, Guangdong Sinotau Molecular Imaging Technology Co., Ltd. complied with the covenant, respectively.

As at 31 December 2023 and 2024, the bank loans from the Bank of China Limited with maturity date from 29 March 2025 to 28 Feb 2026, amounting to RMB9,250,000 and RMB7,400,000, respectively, are subject to covenants that require debt-to-asset ratio of Guangdong Sinotau Molecular Imaging Technology Co., Ltd. not to exceed 70%. Guangdong Sinotau Molecular Imaging Technology Co., Ltd. failed to comply with the covenant as at 31 December 2024. Therefore, the lender may demand for immediate repayment of the subject bank loan. The bank loan from Bank of China Limited with original maturity date of 28 Feb 2026, amounting to RMB2,550,000, was reclassified in to the current portion as at 31 December 2024.

26. REDEMPTION LIABILITIES ON EQUITY SHARES

The Company has completed several rounds of financing before and during the Relevant Periods, details of which are set out in the table below (after taking into consideration of the impact on the number of shares due to division as explained below):

	Number of shares	Total consideration *RMB'000*
Series A Shares *(note 1)*	2,436,064	49,203
Series B Shares *(note 1)*	3,445,822	82,006
Series C Shares *(note 2)*	3,701,538	150,000
Series C+ Shares	2,455,830	130,000
Series D Shares	4,968,117	320,000
Series D+ Shares *(note 3)*	4,370,778	320,000
Series E Shares	19,349,802	1,700,000

Note 1: Pursuant to the then shareholders' resolutions dated 25 September 2019, the Company was divided into two companies, i.e., Beijing Xiantongyuan Pharmaceutical Technology Co., Ltd. (北京先通源醫藥科技股份有限公司) ("**Xiantongyuan**") and the Company, accordingly, the registered capital of the Company after the division decreased. After the division and transfer of shares between shareholders of the Company, the number of Series A Shares and Series B Shares was 2,436,064 and 3,445,822, respectively.

Note 2: In 2020 and 2021, Mr. Xu Xinsheng entered into share transfer agreements with four independent investors, respectively, pursuant to which, Mr. Xu Xinsheng transferred a total of 867,890 shares with no redemption rights of the Company he held to these investors with redemption rights added, and the number of Series C Shares increased from 2,833,648 shares to 3,701,538 shares without increase of consideration received.

Note 3: As the valuation adjustment clause as agreed in the relevant share subscription agreement dated 26 September 2021 was triggered, Mr. Xu Xinsheng transferred 390,765 shares with no redemption rights to Series D+ investors with redemption rights added, and the number of Series D+ Shares increased from 3,980,013 to 4,370,778 without increase of consideration received.

Series A Shares, Series B Shares, Series C Shares, Series C+ Shares, Series D Shares, Series D+ Shares and Series E Shares (Including Series E1 Shares, Series E2 Shares, Series E1+ Shares and Series E2+ Shares), that have special rights, are collectively referred as Shares.

The key terms of the Shares are summarized as follows:

Redemption rights

Upon the occurrence of any redemption triggering events (including but not limited to material changes to the Company's principal operations and the Company's failure to complete a qualified **[REDACTED]** at specified dates), the Company, the persons acting in concert or the ultimate controlling owner of the Company shall, at the request of the equity holders of the Company with redemption rights, redeem all or any portion of the redemption liabilities held by such equity holders, at a redemption price to be determined as the investment cost plus a simple rate of 8% per annum and the declared but unpaid dividend.

Liquidation preferences

In the event of any liquidation, dissolution, winding up or change of control of the Company, all assets and funds of the Company or any proceeds therefrom distributable with respect to any of the shares of the Company legally available for distribution to the equity holders shall be distributed to the equity holders of the Company with liquidation rights. Holders of the Shares shall be entitled to an amount which is the higher of (i) the net assets of the Company attributable to the equity holders in proportion; and (ii) the investment cost plus a simple rate of 8% per annum and the declared but unpaid dividend in the sequence as follows:

(1) Series E2+ Shares, Series E1+ Shares, Series E2 Shares, Series E1 Share

(2) Series D+ Shares

(3) Series D Shares

(4) Series C+ Shares, Series C Shares, Series B Shares, Series A Share

If there are any assets or funds remaining after the payment of liquidation price of each series investors, the remaining assets and funds of the Company available for distribution shall be distributed ratably among all equity holders according to the relative amounts of paid-in capital.

Anti-dilution rights

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require the Company and the founders to issue additional paid-in capital for nil consideration or the legally permitted lowest price to the investors, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Pursuant to a termination agreement entered into among the shareholders and the Company relating to such special rights dated 22 May 2025, the redemption rights ceased to be effective from the day before the date of the first submission of the first **[REDACTED]** application form for the **[REDACTED]** and all other special rights ceased to be effective upon **[REDACTED]** provided that all such special rights shall be automatically reinstated as if the termination of such rights had never taken place in the event where (i) the application for the **[REDACTED]** is withdrawn, rejected or becomes invalid and the Company fails to re-submit the application in 6 months after the invalidation, or (ii) the Company fails to complete the **[REDACTED]** before the earlier date of 18 months after the submission of application and 31 December 2026.

Presentation and classification

The Group and the Company have recognised the Shares as redemption liabilities on equity shares. The change in fair value of the Shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the Shares attributable to changes of own credit risk is not significant.

The movements in the redemption liabilities on equity shares of the Company are set out as follows:

	Series A	**Series B**	**Series C**	**Series C+**	**Series D**	**Series D+**	**Series E1**	**Series E2**	**Series E1+**	**Series E2+**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	103,880	151,795	180,307	119,644	333,825	353,821	–	–	–	–	1,243,272
Contribution from equity holders	–	–	–	–	–	–	685,260	414,740	–	–	1,100,000
Transfer from equity holders	–	–	–	–	32,882	–	–	–	–	–	32,882
Fair value changes recognised in profit or loss	5,026	7,851	3,561	2,548	(55,324)	(29,258)	22,697	13,783	–	–	(29,116)
At 31 December 2023 and 1 January 2024	108,906	159,646	183,868	122,192	311,383	324,563	707,957	428,523	–	–	2,347,038
Contribution from equity holders	–	–	–	–	–	–	–	–	400,000	200,000	600,000
Fair value changes recognised in profit or loss	(13,110)	(19,774)	(19,409)	(12,930)	(22,956)	(17,565)	(24,928)	(15,107)	(10)	64	(145,725)
At 31 December 2024	95,796	139,872	164,459	109,262	288,427	306,998	683,029	413,416	399,990	200,064	2,801,313

From June 2023 to August 2023, one of the Company's subsidiaries, Glotope Advanced Pharmaceutical Technology Ltd., ("**Glotope**"), completed two rounds of financing as follows:

	Number of shares	Total consideration
		RMB'000
Glotope Series A1 Shares	34,558,823	235,000
Glotope Series A2 Shares	5,882,352	40,000

In June 2023, Glotope issued 34,558,823 shares of series A1 equity shares with a par value of RMB1.00 per share ("**Glotope Series A1 Shares**") to several independent investors for cash consideration of RMB235,000,000 or RMB6.80 per share.

In August 2023, Glotope issued 5,882,352 shares of series A2 equity shares with a par value of RMB1.00 per share ("**Glotope Series A2 Shares**") to several independent investor for cash consideration of RMB40,000,000 or RMB6.80 per share.

Glotope Series A1 Shares and Glotope Series A2 Shares are collectively referred as Glotope Shares.

The key terms of the Glotope Shares are summarized as follows:

Redemption rights

Upon the occurrence of certain redemption triggering events, Glotope, the ultimate controlling owner of Glotope and the employee stockholding platforms shall, at the request of the equity holders of Glotope with redemption rights in 36 months, redeem all or any portion of the redemption liabilities held by such equity holders, at a redemption price to be determined as the investment cost plus a prescribed return and the declared but unpaid dividend.

Liquidation preferences

In the event of any liquidation, dissolution, winding up or change of control of Glotope, all assets and funds of Glotope or any proceeds therefrom distributable with respect to any of the shares of Glotope legally available for distribution to the equity holders shall be distributed to the equity holders of Glotope with liquidation rights. Holders of the Glotope Shares shall be entitled to an amount equal to the investment cost plus a prescribed return and declared but unpaid dividend. If there are any assets or funds remaining after the payment of liquidation price of each series investors, the remaining assets and funds of the Company available for distribution shall be distributed ratably among all equity holders according to the relative amounts of paid-in capital.

Anti-dilution rights

If Glotope increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require Glotope to issue additional paid-in capital for nil consideration or the legally permitted lowest price to the investors, receive cash compensation from Glotope and the ultimate controlling owner of Glotope or require employee stockholding platform to transfer paid-in capital for nil consideration, par value of RMB1.00 per share or the legally permitted lowest price to the investors, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Presentation and classification

The Group and Glotope have recognised the Glotope Shares as redemption liabilities on equity shares. The change in fair value of the Glotope Shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the Glotope Shares attributable to changes of own credit risk is not significant.

The movements in the redemption liabilities on equity shares of Glotope are set out as follows:

	Series A1	**Series A2**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	–	–	–
Contribution from equity holders	235,000	40,000	275,000
Fair value changes recognised in profit or loss	6,472	1,034	7,506
At 31 December 2023 and 1 January 2024	241,472	41,034	282,506
Fair value changes recognised in profit or loss	8,933	1,502	10,435
At 31 December 2024	250,405	42,536	292,941

The movements of the redemption liabilities on equity shares of the Company and Glotope are set out as follows:

	The Company	**Glotope**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	1,243,272	–	1,243,272
Contribution from equity holders	1,100,000	275,000	1,375,000
Transfer from equity holders	32,882	–	32,882
Fair value changes recognised in profit or loss	(29,116)	7,506	(21,610)
At 31 December 2023 and 1 January 2024	2,347,038	282,506	2,629,544
Contribution from equity holders	600,000	–	600,000
Fair value changes recognised in profit or loss	(145,725)	10,435	(135,290)
At 31 December 2024	2,801,313	292,941	3,094,254

The Company has engaged an independent valuer to determine the fair values of redemption liabilities. The Backsolve method of the market approach is used to determine the total equity value of the Group and the equity allocation based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of the redemption liabilities at the end of each of the Relevant Periods.

The following table lists the key inputs that are used for the determination of the fair value of the redemption liabilities of the Company:

	31 December 2023	**31 December 2024**
Risk-free interest rate	2.21%	1.08%
Expected volatility	46.79%	49.62%
Discount for lack of marketability	4.84%-27.12%	2.89%-27.43%
Probability under:		
[REDACTED] scenario	30%	30%
Liquidation scenario	28%	28%
Redemption scenario	42%	42%

The following table lists the key inputs that are used for the determination of the fair value of the redemption liabilities of Glotope:

	31 December 2023	31 December 2024
Risk-free interest rate	2.39%	1.27%
Expected volatility	46.23%	48.34%
Discount for lack of marketability	15.41%-26.89%	11.60%-25.59%
Probability under:		
[REDACTED] scenario	15%	25%
Liquidation scenario	40%	35%
Redemption scenario	45%	40%

The Group estimated the risk-free interest rate based on the yield of the China treasury bonds with a maturity life close to period from the respective valuation dates to the expected liquidation dates. Volatility was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected redemption dates. The discount for lack of marketability ("DLOM") represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments. DLOM was estimated using the put option method and the value of put option is determined by the Finnerty Option Pricing Model.

Below is a summary of significant unobservable inputs to the fair values of the redemption liabilities together with a quantitative sensitivity analysis of the Company as at the end of each of the Relevant Periods:

		Sensitivity of fair value to the inputs	
	Sensitivity	31 December 2023	31 December 2024
		RMB'000	*RMB'000*
Risk-free interest rate	1% increase	(632)	(338)
	1% decrease	639	339
Expected volatility	5% increase	(46,668)	(38,021)
	5% decrease	47,991	38,551
Discount for lack of marketability	5% increase	(173,022)	(186,412)
	5% decrease	173,022	186,412
Probability under **[REDACTED]** scenario	5% increase	(1,216)	(1,076)
	5% decrease	1,216	1,076

Below is a summary of significant unobservable inputs to the fair values of the redemption liabilities together with a quantitative sensitivity analysis of Glotope as at the end of each of the Relevant Periods:

		Sensitivity of fair value to the inputs	
	Sensitivity	31 December 2023	31 December 2024
		RMB'000	*RMB'000*
Risk-free interest rate	1% increase	(427)	(281)
	1% decrease	440	285
Expected volatility	5% increase	(6,620)	(12,202)
	5% decrease	7,110	12,890
Discount for lack of marketability	5% increase	(35,659)	(38,275)
	5% decrease	35,659	38,275
Probability under **[REDACTED]** scenario	5% increase	(297)	(349)
	5% decrease	297	349

27. DEFERRED INCOME

The Group

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Government grants	5,728	19,153

The movements in government grants during the Relevant Periods are as follows:

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
At beginning of the year	8,652	5,728
Grants received during the year	1,282	14,295
Amount recognised in profit or loss during the year	(4,206)	(870)
At end of the year	5,728	19,153

Deferred income represents government grants obtained in relation to the construction and acquisition of property, plant and equipment. Government grants are included in the consolidated statement of financial position as deferred income and credited to the profit or loss on a straight-line basis over the useful lives of the related assets.

The Company

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Government grants	–	6,406

28. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the Relevant Periods are as follows:

	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	3,864	–	3,864
Deferred tax credited/(charged) to profit or loss	(1,328)	280	(1,048)
At 31 December 2023 and 1 January 2024	2,536	280	2,816
Deferred tax credited/(charged) to profit or loss	(772)	(122)	(894)
At 31 December 2024	1,764	158	1,922

	Right-of-use assets	Fair value gain arising from financial instruments	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	3,864	–	3,864
Deferred liability credited/(charged) to profit or loss	(1,048)	–	(1,048)
At 31 December 2023 and 1 January 2024	2,816	–	2,816
Deferred liability credited/(charged) to profit or loss	(1,052)	158	(894)
At 31 December 2024	1,764	158	1,922

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for the financial reporting purposes:

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	2,816	1,922
Net deferred tax liabilities recognised in the consolidated statement of financial position	2,816	1,922
Total net deferred tax assets/(liabilities)	–	–

Deferred tax assets have not been recognised in respect of the following items:

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Tax losses:		
expired in one to five years	629,381	411,743
expired in one to ten years	709,781	1,250,272
Total	1,339,162	1,662,015

Tax losses arising in Mainland China will expire in one to five years or one to ten years for offsetting against future taxable profits, while tax losses arising in the United States are available indefinitely for offsetting against future taxable profits.

29. SHARE CAPITAL

Shares

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Issued and fully paid:		
59,048,614 (2023: 52,219,273) ordinary shares	52,219	59,049

A summary of movements in the Company's share capital during the Relevant Periods is as follows:

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
At beginning of year	35,962	52,219
Contribution from equity holders	16,257	6,830
At end of year	52,219	59,049

Year ended 31 December 2023

In June 2023, the Company received cash contributions with an aggregate amount of RMB685,260,000 from investors, of which RMB7,799,791 and RMB677,460,209 were recognised in share capital and share premium, respectively.

In June 2023, the Company received cash contributions with an aggregate amount of RMB3,736,550 from four employee stockholding platforms, of which RMB3,736,550 were recognised in share capital.

In June 2023, the Company received cash contributions with an aggregate amount of RMB414,740,000 from investors, of which RMB4,720,670 and RMB410,019,330 were recognised in share capital and share premium, respectively.

Year ended 31 December 2024

In November 2024, the Company received cash contributions with an aggregate amount of RMB400,000,000 from one investor, of which RMB4,552,894 and RMB395,447,106 were recognised in share capital and share premium, respectively.

In December 2024, the Company received cash contributions with an aggregate amount of RMB200,000,000 from one investor, of which RMB2,276,447 and RMB197,723,553 were recognised in share capital and share premium, respectively.

30. SHARE-BASED PAYMENTS

The Company adopted a share-based payment scheme (the "**Share Incentive Scheme**") for the purpose of attracting, retaining and rewarding the directors, senior management, employees and consultants (collectively the "**Eligible Participants**") who contribute to the success of the Group's operations. The then General Meetings of Shareholders of the Company approved "2019 Stock Incentive Plan", "2021 Incentive Plan" and "2023 Incentive Plan". Beijing Sinotau Juli Science and Technology Development Center (Limited Partnership)* (北京先通聚力科技發展中心(有限合夥)) ("**Sinotau Juli**"), Tianjin Sinotau Juneng Science and Technology Development Center (Limited Partnership)* (天津先通聚能科技發展中心(有限合夥)) ("**Sinotau Juneng**"), Tianjin Sinotau Juzhi Science and Technology Development Center (Limited Partnership)* (天津先通聚智科技發展中心(有限合夥)) ("**Sinotau Juzhi**"), Beijing Sinotau Juxin Science and Technology Development Center (Limited Partnership)* (北京先通聚鑫科技發展中心(有限合夥))* ("**Sinotau Juxin**") and Beijing Sinotau Juhui Science and Technology Development Center (Limited Partnership) (北京先通聚慧科技發展中心(有限合夥))* ("**Sinotau Juhui**") are used as platforms to facilitate the administration of the Share Incentive Scheme. 5,317,040 shares of the Company were authorised and approved under the Share Incentive Scheme, of which, 1,580,490 shares were held by Sinotau Juli, 799,556 shares were held by Sinotau Juneng, 799,557 shares were held by Sinotau Juzhi, 1,775,726 were held by Sinotau Juxin and 361,711 were held by Sinotau Juhui.

The 2019 Share Incentive Plan

The 2019 Stock Incentive Plan (the "**2019 Plan**") became effective in May 2019 when the board of directors and the shareholders of the Company approved the 2019 Plan. 310,752 shares of the Company were awarded under the 2019 Plan through Sinotau Juli and were vested immediately.

The then General Meetings of Shareholders of the Company approved the separation plan in September 2019, after which, the remaining shares under the 2019 Plan decreased from 1,269,738 to 695,717. The remaining shares of 695,717 were awarded under the 2021 Plan through Sinotau Juli and were vested immediately.

The 2021 Incentive Plan

The board of directors and the shareholders of the Company approved the 2021 Incentive Plan (the "**2021 Plan**") in January 2021 and revised and approved the revised 2021 Incentive Plan (the "**New 2021 Plan**") in April 2023. 2,472,084 share options were granted to 66 employees and one consultant in six batches from January 2021 to May 2023. The share options are vested immediately or generally subject to service-based vesting conditions over 1 to 9 years of services to be rendered by the Eligible Participants, counting from the applicable grant date or the date of joining the Company, and the unlocking details of share options, including timeframe and portion, are specified in the individual award letters.

In April 2023, the Company, the Eligible Participants and the employee stockholding platforms entered into the supplementary agreement. For the vested share options, the Eligible Participants paid the subscription price and became the limited partners of the employee stockholding platforms. For the unvested share options, the Eligible Participants could either make full payment of the subscription price and become the limited partners of the employee stockholding platforms with the same vesting conditions before the modification, or abandon the share options. For those Eligible Participants who chose to make full payments of the subscription price for those unvested share options, the unvested share options were modified to unvested restricted shares with the same vesting conditions of the original share options.

The 2023 Incentive Plan

The board of directors and the shareholders of the Company approved the 2023 Incentive Plan (the "**2023 Plan**") in June 2023. 2,137,437 restricted shares were granted to 45 employees in June 2023. The restricted shares were subject to a service-based vesting conditions which would be satisfied over a 3-year term.

* The English names of these limited partnerships represent the best efforts made by the management of the Company to translate the Chinese names as they do not have an official English names registered in the PRC.

Details of the granted restricted shares are as follows:

Date of grant	Number of shares	Subscription price per share	Fair value at grant date per share
2019-06-30	310,752	1	23.06
2023-05-29	493,086	1	29.86
2023-06-15	2,137,437	1	29.66
	2,941,275		

Details of the granted share options are as follows:

Date of grant	Number of shares	Subscription price per share	Fair value at grant date per share
2021-01-26	141,399	1	10.89
2021-03-09	1,019,389	1	12.18~12.25
2021-09-06	269,211	1	16.33~16.39
2022-03-31	448,251	1	17.71~17.79
2023-03-17	100,748	1	29.97~30.05
	1,978,998		

The following restricted shares were outstanding under the Share Incentive Scheme during the Relevant Periods:

	Year ended 31 December 2023	Year ended 31 December 2024
Restricted shares *('000)*		
At beginning of year	–	2,548,096
Granted during the year	2,630,523	–
Modification	646,530	–
Exercised during the year	(727,765)	(279,345)
Forfeited during the year	(1,192)	–
At end of year	2,548,096	2,268,751

The following share options were outstanding under the Share Incentive Scheme during the Relevant Periods:

	Year ended 31 December 2023	Year ended 31 December 2024
Share options *('000)*		
At beginning of year	731,210	100,918
Granted during the year	100,748	–
Modification	(646,530)	–
Exercised during the year	(84,136)	–
Forfeited during the year	(374)	–
At end of year	100,918	100,918

During the year ended 31 December 2023 and 2024, share-based payment expenses of RMB33,618,000 and RMB25,913,000 were charged to profit or loss, respectively.

Fair value of restricted shares and share options

The fair value of the restricted shares and share options of the 2021 Incentive Plan, the 2021 New Incentive Plan and the 2023 Incentive Plan as at the respective grant dates were determined with reference to the fair value of ordinary shares on those grant dates, using backsolve method. Major inputs used for the determination of the fair value of ordinary shares are listed as follows:

	31 December 2023	31 December 2024
Risk-free interest rate	2.21%-2.79%	N/A
Expected volatility	50.15%-50.84%	N/A
Discount for lack of marketability	5.02%-28.15%	N/A
Probability under:		
[REDACTED] scenario	30%	N/A
Liquidation scenario	28%	N/A
Redemption scenario	42%	N/A

The fair value of the restricted shares of the 2019 Incentive Plan as at the grant date were determined using a market-based valuation technique, which requires that directors determine comparable public companies (peers) based on industry and size and calculate an enterprise value-to-sales ("**EV/Sales**") multiple for each of the comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable companies by the sales amount. The multiple is then discounted for considerations such as illiquidity.

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Share premium

Share premium represents the excess of the contributions from the equity holders of the Company over the corresponding amounts of paid-in capital issued.

In July 2023, two non-controlling shareholders of Glotope made capital contribution to Glotope with consideration of RMB8,824,000. The difference between the consideration and the equity attributable to these two non-controlling shareholders of Glotope was RMB4,982,000, which was recorded in share premium.

In September 2023, Glotope entered into a series of agreements with four individual shareholders of Guangdong Sinotau Molecular Imaging Technology Co., Ltd. ("**Guangdong Sinotau**") to purchase a total of 42% of the equity shares of Guangdong Sinotau with consideration of RMB39,690,000. The difference between the consideration and the equity attributable to the 42% of shares of Guangdong Sinotau was RMB23,505,000, which was recorded in share premium.

In January 2024, Glotope entered into an agreement with Joinn Laboratories (China) Co., Ltd. ("**Joinn**") to purchase 30% of the equity shares of Jiangsu Sinotau Molecular Imaging Science and Technology Co. Ltd. ("**Jiangsu Sinotau**") held by Joinn with consideration of RMB35,000,000. The difference between the consideration and the equity attributable to the 30% of shares of Jiangsu Sinotau was RMB21,860,000, which was recorded in share premium.

In December 2024, the Company made capital contribution to Glotope, resulting in the passive dilution of the equity attributable to the non-controlling shareholders of Glotope by RMB3,973,000, which was recorded in share premium.

(b) Share-based payment reserve

Share-based payment reserve is attributable to the fair value of share options and restricted shares of the Company granted to the Company's directors and the Group's employees, as further explained in the accounting policy for share-based payment in note 2.3 to the Historical Financial Information.

(c) Other Reserve

Other reserves of the Group represent the carrying amount of the equity shares with redemption features as stipulated in note 26 to the Historical Financial Information.

The Company

	Share premium	Other reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,085,183	(1,051,208)	21,821	(604,215)	(548,419)
Total comprehensive loss for the year	–	–	–	(334,174)	(334,174)
Issue of new shares	1,087,479	–	–	–	1,087,479
Recognition of financial liabilities at fair value through profit or loss	–	(1,100,000)	–	–	(1,100,000)
Transfer to financial liabilities on equity shares arising from re-designation	–	(32,882)	–	–	(32,882)
Share-based payments	–	–	33,618	–	33,618
At 31 December 2023 and 1 January 2024	2,172,662	(2,184,090)	55,439	(938,389)	(894,378)
Total comprehensive loss for the year	–	–	–	(84,981)	(84,981)
Issue of new shares	593,170	–	–	–	593,170
Recognition of financial liabilities at fair value through profit or loss	–	(600,000)	–	–	(600,000)
Share-based payments	–	–	25,913	–	25,913
At 31 December 2024	2,765,832	(2,784,090)	81,352	(1,023,370)	(960,276)

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets of RMB370,000 and RMB5,726,000, and non-cash addition to lease liabilities of RMB358,000 and RMB5,699,000 for the years ended 31 December 2023 and 2024, respectively, in respect of lease arrangements for offices premises.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities
	RMB'000	*RMB'000*
At 1 January 2023	101,040	47,276
Changes from financing cash flows	38,830	(8,737)
New leases	–	358
Interest expense	2,603	2,070
At 31 December 2023 and 1 January 2024	142,473	40,967
Changes from financing cash flows	14,289	(10,364)
New leases	–	5,699
Interest expense	3,441	1,946
At 31 December 2024	160,203	38,248

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Within operating activities	719	1,928
Within financing activities	8,737	10,364
Total	9,456	12,292

33. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Property, plant and equipment	88,208	55,592

34. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Group are of the view that the following companies are related parties that had transactions or balances with the Group during the Relevant Periods:

Name of related parties	Relationship with the Group
Beijing Bailingyun Biomedical Technology Co., Ltd	An associate of the Group
Wuxi Saifu Guotong Pharmaceutical Technology Co., Ltd	An associate of the Group
Beijing Hemingtang Pharmaceutical Co., Ltd	An entity controlled by the spouse of one of the directors of the Company

(b) Transactions with related parties

The Group had the following transactions with related parties during the Relevant Periods:

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Purchase of research services:		
Beijing Bailingyun Biomedical Technology Co., Ltd	126	–
Beijing Hemingtang Pharmaceutical Co., Ltd	1,116	627
Purchase of raw materials:		
Beijing Hemingtang Pharmaceutical Co., Ltd	6,054	78
Purchase of software		
Beijing Hemingtang Pharmaceutical Co., Ltd	2,353	–
Rental income:		
Wuxi Saifu Guotong Pharmaceutical Technology Co., Ltd	–	1,001

The purchases of services and goods from the related parties were made according to the published prices and conditions agreed by the Group and the related parties.

(c) Other transactions with related parties

Mr. Xu Xinsheng and his spouse, had provided guarantees to certain bank loans granted to the Group amounting to RMB104,250,000 and RMB125,500,000 as at 31 December 2023 and 2024, respectively, as further detailed in note 25 to the Historical Financial Information.

(d) Outstanding balances with related parties

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Trade receivables		
Wuxi Saifu Guotong Pharmaceutical Technology Co., Ltd	–	240
Other payables		
Beijing Hemingtang Pharmaceutical Co., Ltd	363	117

Details of the Group's trade balances with its associates as at 31 December 2024 are disclosed in notes 22 to the financial statements.

The Group had an outstanding balance due to Beijing Hemingtang Pharmaceutical Co., Ltd of RMB363,000 and RMB117,000 as at the end of the reporting period. These balances are unsecured and interest-free.

(e) Compensation of key management personnel of the Group

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	3,102	2,773
Performance related bonuses	1,264	1,066
Share-based payments	1,691	1,495
Pension scheme contributions	206	159
	6,263	5,493

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

31 December 2023

	Financial assets at amortised cost *RMB'000*
Trade receivables	9,057
Financial assets included in prepayments, other receivables and other assets	6,121
Cash and cash equivalents	790,824
Pledged deposits	448
Time deposits	416,537
Total	1,222,987

31 December 2024

	Financial assets at fair value through profit or loss *RMB'000*	**Financial assets at amortised cost** *RMB'000*	**Total** *RMB'000*
Trade receivables	–	24,002	24,002
Financial assets included in prepayments, other receivables and other assets	–	6,857	6,857
Financial assets at fair value through profit or loss	248,706	–	248,706
Cash and cash equivalents	–	471,878	471,878
Pledged deposits	–	410	410
Time deposits	–	772,446	772,446
Total	248,706	1,275,593	1,524,299

Financial liabilities

31 December 2023

	Financial liabilities at fair value through profit or loss	**Financial liabilities at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	26,704	26,704
Financial liabilities included in other payables and accruals	–	95,864	95,864
Interest-bearing bank borrowings	–	142,473	142,473
Financial liabilities at fair value through profit or loss	2,629,544	–	2,629,544
Total	2,629,544	265,041	2,894,585

31 December 2024

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition	**Financial liabilities at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	34,538	34,538
Financial liabilities included in other payables and accruals	–	65,002	65,002
Interest-bearing bank borrowings	–	160,203	160,203
Financial liabilities at fair value through profit or loss	3,094,254	–	3,094,254
Total	3,094,254	259,743	3,353,997

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Financial liabilities

	31 December 2023	31 December 2024
	RMB'000	*RMB'000*
Financial liabilities at fair value through profit or loss		
Carrying amounts	2,629,544	3,094,254
Fair values	2,629,544	3,094,254
Non-current portion of interest-bearing bank borrowings		
Carrying amounts	129,328	147,095
Fair values	129,328	147,095

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current portion of financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the maturities of these instruments.

The Group's senior management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the senior management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of structured deposits have been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks, and the fair value are based on their respective unadjusted quoted prices in active markets.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using current market rates of instruments with similar terms and risk.

The details of the methods and assumptions used to estimate the fair values of the redemption liabilities on equity shares and a quantitative sensitivity analysis are set out in note 26 to the Historical Financial Information.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 December 2024

	Significant observable inputs (Level 2)	Total
	RMB'000	*RMB'000*
Financial assets measured at fair value	248,706	248,706

Liabilities measured at fair value:

31 December 2023

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities on equity shares	–	–	2,629,544	2,629,544
	–	–	2,629,544	2,629,544

31 December 2024

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities on equity shares	–	–	3,094,254	3,094,254
	–	–	3,094,254	3,094,254

The movements in fair value measurements of financial liabilities at fair value through profit or loss, i.e., the redemption liabilities, within Level 3 during the Relevant Periods are set out in note 26 to the Historical Financial Information.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables, interest-bearing bank borrowings and redemption liabilities on equity shares. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The senior management reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	Increase/(decrease) in loss before tax	
		31 December 2023	31 December 2024
Bank borrowings	100	1,205	1,575
Bank borrowings	(100)	(1,205)	(1,575)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	9,697	9,697
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,121	–	–	–	6,121
Cash and cash equivalents					
– Not yet past due	790,824	–	–	–	790,824
Time deposits	416,537	–	–	–	416,537
Pledged deposits	448	–	–	–	448
Total	1,213,930	–	–	9,697	1,223,627

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	25,899	25,899
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,857	–	–	–	6,857
Cash and cash equivalents					
– Not yet past due	471,878	–	–	–	471,878
Time deposits	772,446	–	–	–	772,446
Pledged deposits	410	–	–	–	410
Total	1,251,591	–	–	25,899	1,277,490

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2023

	On demand or within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	26,704	–	–	26,704
Financial liabilities included in other payables and accruals	88,960	–	–	88,960
Interest-bearing bank borrowings	26,346	100,436	37,185	163,967
Lease liabilities	8,842	29,842	8,135	46,819
Redemption liabilities on equity shares	2,629,544	–	–	2,629,544
Total	2,780,396	130,278	45,320	2,955,994

31 December 2024

	On demand or within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	34,538	–	–	34,538
Financial liabilities included in other payables and accruals	58,521	–	–	58,521
Interest-bearing bank borrowings	33,674	112,718	37,387	183,779
Lease liabilities	10,786	28,018	3,496	42,300
Redemption liabilities on equity shares	3,094,254	–	–	3,094,254
Total	3,231,773	140,736	40,883	3,413,392

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

38. EVENTS AFTER THE RELEVANT PERIODS

In December 2024, Glotope entered into a capital injection agreement with one of its existing shareholders, who agreed to subscribe for the increased registered capital of RMB7,123,162 of Glotope at a total consideration of RMB50,000,000 which was received in January 2025.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2024.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TAXATION OF SECURITY HOLDERS

The income tax and capital gains tax of holders of H Shares are subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain tax provisions is based on current laws and practices and does not consider any expected changes to or amendments of relevant laws and policies, and does not constitute any advice or recommendation. The discussion does not cover all of the tax consequences of **[REDACTED]** in H Shares, nor does it consider the particular circumstances of any individual investor, some of which may be subject to special rules. Accordingly, you should consult your own tax advisor regarding the tax consequences of an **[REDACTED]** in H Shares. The relevant discussions are based on the laws and related interpretations in effect as of the Latest Practicable Date, and such laws and related interpretations are subject to change, which may have retroactive effects.

The following discussion does not address any Chinese issues other than income tax, value-added tax, stamp duty and inheritance tax. Potential investors are urged to consult their financial advisers regarding the PRC tax consequences of owning and disposing of the H Shares.

The PRC Taxation

Tax on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the People's Republic of China, which was most recently amended on August 31, 2018 and came into effect on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China, which was most recently amended on December 18, 2018 and came into effect on January 1, 2019 (hereinafter collectively referred to as the "**IIT Law**"), dividends derived by PRC residents from PRC enterprises are subject to individual income tax at a flat rate of 20%. For non-Chinese resident foreign individuals, if they receive DIVIDENDS from a Chinese enterprise, they are generally subject to an individual income tax of 20% unless they are granted specific exemption by the tax authority of the State Council or reductions or exemptions under relevant tax treaties.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**") signed on August 21, 2006 and effective on December 8, 2006, the PRC government may impose tax on dividends paid by PRC companies to residents of the Hong Kong Special Administrative Region (including natural persons and legal entities), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, and is the beneficial owner of the dividends while meeting other conditions, the relevant tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland

of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Fifth Protocol**"), signed on July 19, 2019 and effective on December 6, 2019, stipulates that arrangements or transactions made primarily for the purpose of obtaining the above-mentioned tax benefits are not subject to the above provisions.

Enterprise Investors

According to the Enterprise Income Tax Law of the PRC, which was latest amended and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was latest amended on December 6, 2024 and implemented on January 20, 2025 (collectively referred to as the "**Enterprise Income Tax Law**"), if a non-resident enterprise has no office or premises within China, or if it has established an office or premises but the income derived from within China has no actual connection with such office or premises, it shall generally pay an enterprise income tax at the rate of 10% on its income derived from within China (including dividends and bonus income obtained from resident enterprises in the PRC). The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding taxes may be reduced or exempted pursuant to applicable treaties on the avoidance of double taxation.

The Notice of the Issues Concerning Withholding EIT on the Dividends Distributed by PRC Resident Enterprises to Overseas H-share Non-PRC Resident Enterprise Shareholders, which was issued and implemented by the State Administration of Taxation on November 6, 2008, further clarified that, when PRC resident enterprises distribute dividends for the year 2008 and thereafter to overseas H-share non-resident enterprise shareholders, the enterprise income tax shall be withheld at a rate of 10%. For non-resident enterprise shareholders who need to enjoy the treatment under tax treaties, the relevant provisions of tax treaties shall apply.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, the PRC government may impose tax on dividends paid by PRC companies to Hong Kong residents (including natural persons and legal entities), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and meets other requirements, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol stipulates that the above provisions do not apply to arrangements or transactions whose principal goals are to obtain the above tax benefits. The application of the DIVIDEND clause of the tax treaty shall comply with the provisions of Chinese tax laws and regulations such as the "Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements".

Tax Treaties

Non-PRC resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC Enterprise Income Tax imposed on the dividends received from PRC companies. The PRC currently has entered into the Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States, etc.

Taxation on Share Transfer

VAT and Local Additional Tax

According to the "Notice on Comprehensively Expanding the Pilot Program of Levying Value-added Tax in Place of Business Tax" (the "**Circular 36**"), implemented on May 1, 2016, and partially revised on January 1, 2018, and April 1, 2019, institutions and individuals that sell services, intangible assets or real estate within China are VAT taxpayers, and "selling services, intangible assets or real estate within China" includes the seller or buyer of services (except for leasing real estate) or intangible assets (except for the right to use natural resources) being within China, the real estate being sold or leased being within China, the natural resources being sold being the right to use natural resources being within China, or others as stipulated by the Ministry of Finance and the State Administration of Taxation. Circular 36 stipulates that for general taxpayers, the transfer of financial products (including the transfer of ownership of negotiable securities) is subject to VAT at 6% on the taxable income (i.e., the balance of the sales price upon deduction of the purchase price). However, according to the "Provisions on the Pilot Policies for the Transition from Business Tax to Value-added Tax," which was released on March 23, 2016, implemented on May 1, 2016, and partially revised on January 1, 2018, individuals engaged in the transfer of financial products are exempted from value-added tax. According to the above regulations, if the shareholder is a non-resident individual, the **[REDACTED]** or **[REDACTED]** of H shares will be exempted from VAT.

VAT payers are also required to pay urban construction and maintenance tax, education surcharge and local education surcharge.

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to an individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares issued on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of listed enterprises continues to be exempted from individual income tax. According to the public announcement of the Ministry of Finance and the State Administration of Taxation on the Catalogue of Individual Income Tax Policies that will Remain in Effect, which was released and implemented on December 29, 2018, the Notice on the Continued Temporary Exemption of Individual Income Tax on the Income from the Transfer of Share Certificates will remain in effect.

According to the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Moratorium Shares of Listed Companies jointly issued and implemented by the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on December 31, 2009, individuals' income from the transfer of listed shares obtained from the public offering and transfer markets on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations jointly issued and implemented by the aforementioned departments on November 10, 2010.

As of the Latest Practicable Date, the aforesaid provisions had not expressly provided for the arrangement of levying individual income tax on non-Chinese resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

According to the Enterprise Income Tax Law, a non-resident enterprise is generally required to pay a 10% enterprise income tax on income sourced from inside the PRC (including dividends received from PRC resident enterprises) if it does not have an establishment or premise in the PRC, or if it has an establishment or premise in the PRC but its income sourced from inside the PRC has no actual connection with such establishment or premise. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer being the withholding agent. Such withholding taxes may be reduced or waived under applicable treaties for the avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the People's Republic of China, which was promulgated on June 10, 2021 and came into effect on July 1, 2022, Stamp Duty is applicable to the institutions and individuals that conclude taxable evidence or conduct securities transactions within the territory of the PRC, and the institutions and individuals outside the PRC that conclude taxable evidence that are used inside the PRC. Therefore, the above provisions on stamp duty do not apply to institutions and individuals that are created abroad and traded on overseas stock exchanges.

Estate duty

As of the Latest Practicable Date, no estate duty has been levied in the PRC under the PRC laws.

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China promulgated by the State Council on March 16, 2007, last amended on December 29, 2018, and effective on the same day, and the Implementing Regulations of the Enterprise Income Tax Law of the PRC promulgated by the State Council on December 6, 2007, last amended on December 6, 2024, and implemented from January 20, 2025, enterprises (including foreign-invested enterprises) in China are subject to a uniform enterprise income tax rate of 25%. However, high-tech enterprises that require key support from the state are subject to a reduced enterprise income tax rate of 15%, and small and micro enterprises that meet the conditions are subject to a reduced enterprise income tax rate of 20%.

VAT

According to the Provisional Regulations of the People's Republic of China on Value-added Tax, last revised on November 19, 2017 and implemented on the same day, and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-added Tax, last revised on October 28, 2011 and effective November 1, 2011, all taxpayers who sell goods or provide processing, repair and assembly services, sales services, intangible assets, real estate, and imported goods within the territory of China are required to pay value-added tax. Unless otherwise specified, the tax rate for taxpayers selling goods, providing services, leasing tangible movable property or importing goods is 17%. The sales of transportation, postal, basic telecommunications, construction, real estate leasing services, the sale of real estate, the transfer of land use rights, or the sale or import of the following goods are taxed at a rate of 11%. Exports of goods and services are exempt from VAT.

According to the Notice on Adjusting VAT Rates promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, and implemented on May 1, 2018, for taxpayers engaging in VAT taxable sales or import of goods, the previously applicable tax rates of 17% and 11% are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening the VAT Reform that was promulgated by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for taxpayers engaging in VAT taxable sales or import of goods, the VAT rates are adjusted to 13% and 9%, respectively.

Foreign Exchange Management in China

Renminbi is the legal tender of China, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange of the People's Republic of China ("**State Administration of Foreign Exchange**"), as authorized by the People's Bank of China, has the power to regulate all matters related to foreign exchange, including the implementation of foreign exchange control regulations.

According to the Regulations of the People's Republic of China on Foreign Exchange Management (the "**Foreign Exchange Management Regulations**"), which was promulgated and implemented by the State Council on August 5, 2008, current accounts shall be subject to reasonable review by financial institutions engaged in foreign exchange settlement and sales business with respect to the authenticity of transaction documents and their consistency with foreign exchange receipts and payments, as well as supervision and inspection by foreign exchange administrative authorities. For capital accounts, overseas institutions and individuals making direct investments in China shall, upon admission by the relevant competent authorities, go through the registration procedures with the foreign exchange control authority. Foreign exchange income obtained from abroad may be remitted back to the country or kept abroad. Foreign exchange for capital accounts and funds for settlement of foreign exchange shall be used in accordance with the usage approved by the relevant competent authorities and foreign exchange control authorities.

According to the Foreign Exchange Control Regulations, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current account transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at designated foreign exchange banks, on the strength of valid receipts and proof. According to the Circular on Further Improving Reform of Foreign Exchange Administration and Optimising Genuineness and Compliance Verification, which was promulgated and implemented by the State Administration of Foreign Exchange on January 26, 2017, if a foreign-invested enterprise needs foreign exchange for profit distributions to its shareholders, and a Chinese enterprise (such as the Company) needs to make payments of dividends to its shareholders in foreign exchange according to relevant regulations, it may, based on the resolution of its board of directors or shareholders' meeting on profit distributions, make the payment from its foreign exchange account with a designated foreign exchange bank, or exchange and pay at a designated foreign exchange bank.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters issued and implemented by the State Council on October 23, 2014, the approval by the SAFE and its branches for the repatriation and settlement of foreign exchange of overseas-raised funds under overseas listed foreign shares was canceled.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of the State Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the use disclosed in its prospectus and other disclosure documents.

According to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, which was promulgated by the SAFE on June 9, 2016 and amended on December 4, 2023, foreign currency earnings in capital account (including the subscription funds recalled from overseas listing) may undertake Discretional Foreign Exchange Settlement in the bankers according to actual business needs of the domestic institutions.

This Appendix contains a summary of certain aspects of PRC laws and regulations related to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III – Taxation and Foreign Exchange". The principal objective of this summary is to provide potential investors with an overview of the principal Chinese laws and regulations applicable to the Company. This SUMMARY does not contain all the information that may be important to potential investors. For more details on the laws and regulations relevant to our business, please refer to the section headed "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

China's legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law (《中華人民共和國立法法》) of the PRC (2023 amendment) (the "**Legislation Law**"), the National People's Congress (the "**NPC**") and the Standing Committee of the National People's Congress (the "**SCNPC**") are empowered to exercise the national legislative power. The NPC has the power to formulate and amend basic laws concerning civil affairs, criminal affairs, state bodies and other affairs. The Standing Committee of the NPC is empowered to formulate and amend laws other than those enacted by the NPC and to supplement and amend any part of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the Chinese administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, the PBOC, the National Audit Office, and other subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within their authority based on the laws, administrative regulations, and the decisions and orders of the State Council.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, ecological civilization construction, historical and cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations, and local regulations of the relevant provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Local regulations of cities divided into districts must be reported to the standing committee of the people's congress of the province or autonomous region for approval before implementation. The people's congresses of ethnic autonomous regions have the power to formulate autonomous regulations and individual regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

The people's governments of the provinces, autonomous regions, municipalities directly under the central government, and the cities divided into districts or autonomous prefectures may enact rules and regulations in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations, or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts or autonomous prefectures within the administrative regions of the provinces and autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the provinces, autonomous regions or municipalities directly under the central government, but contravene the Constitution or the Legislation Law. The State Council has the power to alter or rescind inappropriate departmental rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their standing committees. The standing committees of the local people's congresses have the right to rescind any inappropriate regulations formulated by the people's governments at the corresponding level. The people's governments of provinces or autonomous regions have the power to change or rescind any inappropriate regulations enacted by lower-level people's governments. The authorizing authority has the right to revoke any regulations issued by the authorized body that exceed the scope of the authorization or contravene its goals, and may revoke the authorization if necessary.

According to the Constitution and the Legislation Law, the Standing Committee of the National People's Congress has the power to interpret the law. The legal interpretations of the Standing Committee of the National People's Congress have the same effect as the law itself.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Court of the PRC (2018 Revision), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts. The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts.

The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels. The people's procuratorates also have the right to exercise legal supervision over the judicial activities of people's courts of the same level and lower levels.

The Civil Procedure Law of the PRC, promulgated in 1991 and amended in 2007, 2012, 2017, 2021, and 2023, sets forth the criteria for instituting civil actions, the jurisdiction of the people's courts, the proceedings to be followed for conducting civil actions, and the standards for procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law.

A foreign citizen or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If foreign judicial systems restrict the litigation rights of Chinese citizens and enterprises, the PRC courts may apply reciprocal restrictions to the citizens and enterprises of that country within China.

If any party to a civil action refuses to comply with a judgment or ruling made by the People's Court of the Mainland or an award made by an arbitration panel, the other party may apply to the people's court for enforcement, with the application period of two years. If any person fails to comply with a judgment made by the court within the stipulated time, the court may, upon application by the other party, enforce the judgment in accordance with the law.

If a party seeks to enforce a judgment or ruling of the people's court, and the person or property to be enforced is not within the territory of China, the party may apply to foreign courts with jurisdiction over the case for recognition and enforcement of the judgment or ruling. If China has concluded an international treaty with the relevant foreign country, or has ratified an international treaty that includes rules on the recognition and enforcement of judgments, or if the courts have verified that the judgments and rulings comply with the principle of reciprocity, then foreign judgments or rulings may also be recognized and enforced by the people's courts in accordance with Chinese enforcement proceedings, unless the people's court believes that recognizing or enforcing the judgment or ruling would violate the basic principles of Chinese law, national sovereignty or security, or social public interest.

Chinese Company Law and Trial Measures for Overseas Listing

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange of Hong Kong Limited is mainly subject to the following PRC laws and regulations:

The Company Law of the People's Republic of China ("**Company Law**"), the latest revised version of which will come into effect on July 1, 2024.

The China Securities Regulatory Commission (the "**CSRC**") promulgated the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies" (the "**Overseas Listing Trial Measures**") and five related Guidelines on February 17, 2023, in accordance with the Securities Law of the People's Republic of China (the "**Securities Law**"), which apply to domestic companies issuing share certificates or theirlisting directly or indirectly overseas.

Set out below is a summary of the main provisions of the Company Law and the Trial Measures for Overseas Listing currently in force and applicable to our Company.

General

A joint stock limited company refers to a corporate legal person incorporated under the Company Law with its registered capital divided into shares. Total Shares: The company may issue shares with a par value or without a par value, as stipulated in the articles of association. If shares with a par value are issued, each share has an equal value. Shareholders of a joint stock company are liable to the company to the extent of the shares they have subscribed, and the company is liable for its debts to the full extent of its assets.

Incorporation

A joint stock limited company may be incorporated by sponsorship or by offering. A joint stock limited company shall have a minimum of one but no more than 200 people as its sponsors, and over half of the sponsors must be resident within the People's Republic of China. The registered capital of a company limited by shares is the total amount of issued share capital registered with the company registration authorities. No share offering shall be made before the shares subscribed for by the sponsors are fully paid in. If laws, administrative regulations and State Council decisions provide otherwise on the minimum registered capital of a joint stock limited company, such provisions shall prevail.

For companies established by sponsorship, the sponsors shall subscribe for all the shares required to be issued at the time of the company's establishment as stipulated in the articles of association, and pay in their capital contributions in accordance with the articles of association. In the case of capital contributions made in non-monetary assets, the formalities for transfer of proprietorship shall be completed in accordance with the provisions of the law.

Where a joint stock limited company is established by way of share offering, the shares subscribed for by the sponsors shall not be less than 35% of the total number of shares to be issued at the time of the company's incorporation as stipulated in the articles of association. However, if otherwise provided by laws or administrative regulations, such provisions shall prevail. The sponsors shall convene the incorporation meeting within 30 days from the date of the full payment of share capital. The Board of Directors of the Company shall authorize the authorized representative to apply to the company registration authorities for the registration of establishment within 30 days after the completion of the incorporation of the company. The Company is formally established and has the status as a legal person after completion of regulatory registration by the relevant regulatory authorities and issuance of business licenses.

SHARE CAPITAL

The sponsors may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights, land use rights, share interests, creditors' rights, which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. Non-monetary assets contributed as capital shall be valued and verified, and shall not be overvalued or undervalued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

Any issuance of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price.

According to the Overseas Listing Trial Measures, domestic companies issuing and listing overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

According to the Company Law, when a company issues registered shares, it shall maintain a register of shareholders which records the following matters:

- The names and domiciles of the shareholders;
- The class and number of Shares subscribed by each Shareholder.
- The serial numbers of shares if the shares are issued in paper form; and
- The date on which each shareholder acquired the shares.

INCREASE IN SHARE CAPITAL

The Company may INCREASE ITS SHARE CAPITAL in accordance with any of the following methodologies, subject to the adoption of a resolution at a general meeting: (i) public offering of Shares; (ii) private placement of Shares; (iii) issuance of bonus shares to existing Shareholders; (iv) conversion of reserves to shares; (v) Laws and administrative regulations and any other means approved by the China Securities Regulatory Commission.

According to the Company Law, a company may issue the following classes of shares with rights different from those of ordinary shares, as stipulated in the articles of association. (i) Shares with preferential or with non-preferential distribution of profits or of residual assets. (ii) Shares that have more or fewer voting rights per share than the ordinary share(s); (iii) Shares that are subject to restrictions on transfer such as those that require the Company to agree to the transfer; and (iv) Others as stipulated by the State Council. A company that issues shares publicly may not issue the classes of shares specified in subparagraphs (ii) and (iii), except for those that have been issued before the public offering. If the company issues new shares, the General Meeting of Shareholders shall, in accordance with the company's articles of association, resolve the class and amount of the new shares, the issuing price of the new shares, the starting and ending dates of the new share issue, the class and amount of the new shares to be issued to the original shareholders, and where shares without a par value are issued, the amount of the capital contribution from the issue of new shares to be credited to the registered capital.

To issue shares overseas, the domestic company shall submit the application documents for issuance and listing to the CSRC for filing within three working days after submission of the application documents for issuance and listing overseas.

Reduction of Share Capital

The company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- The company shall prepare a balance sheet and a property list;
- The reduction of registered capital shall be approved by the General Meeting of Shareholders.
- The Company shall notify its creditors within 10 days from the day on which the resolution of reducing its registered capital was adopted by the General Meeting of Shareholders, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days.
- Creditors may within 30 days after receiving the notice, or within 45 days of the announcement if no notice has been received, require the company to repay its debts or provide relevant guarantees.

- The company shall apply to the relevant registration authority for the registration of the reduction in registered capital.

Redemption of Shares

According to the Company Law, a joint-stock limited company may not acquire its own Shares, except under the following circumstances: (i) reduce its registered capital; (ii) merge with other companies that hold its shares; (iii) use shares for employee stock ownership plan or share incentives; (iv) a shareholder requests the Company to purchase the shares held by him since he objects to a resolution of the General Meeting of Shareholders on the merger of the Company or decision of split; (v) use shares for conversion of convertible corporate bonds issued by the Company; (vi) necessary to maintain the corporate value and protect the shareholder's interests.

The acquisition of its own shares under the circumstances set forth in items (i) and (ii) above shall be subject to a resolution of the General Meeting of Shareholders; and the acquisition of its own shares under the circumstances set forth in items (iii), (v), or (vi) above may, pursuant to the articles of association or the authorization of the General Meeting of Shareholders, be subject to the resolutions made at the meetings of the Board at which more than two-thirds of the Directors are present.

Following the acquisition of its own shares in accordance with item (i) above, such shares shall be written off within 10 days from the date of buyback; in the case of acquisition of its own shares under item (ii) or (iv) above, the shares shall be transferred or written off within six months. The shares bought back under the aforementioned item (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be transferred or written off within three years.

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law when acquiring its own shares. If it buys back its own Shares in accordance with (iii), (v) or (vi) above, such buyback shall be conducted through a public centralized trading manner.

Transfer of Shares

Shares held by shareholders are transferrable in accordance with the relevant laws and regulations. According to the Company Law, the transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Registered shares are transferrable by shareholders through endorsement or other methods prescribed by laws and administrative regulations. After the transfer, the company shall record the names or titles and addresses of the transferees in the share register. No changes shall be made to the register of shareholders within 20 days prior to the convening of a General Meeting of Shareholders or within 5 days prior to the base date for the distribution of dividends, unless otherwise stipulated by laws, administrative regulations, or the supervisory authorities under the State Council regarding changes to the register of shareholders of listed companies.

According to the Company Law, shares issued prior to the public offer shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and senior management member shall declare to the company their shareholdings and any changes thereof. During the term of office determined at the time of appointment, the shares transferred each year shall not exceed 25% of the total number of shares they hold in the company. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange. The aforesaid persons shall not assign the Company's shares held by them within six months after they leave office. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

- The right to attend or appoint a proxy to attend the General Meeting of Shareholders and to vote thereat;
- The right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- The right to inspect the company's articles of association, register of shareholders, minutes of the shareholders' meetings, the resolutions made at the meetings of the Board of Directors, the resolutions made at the meetings of the Supervisory Committee and financial accounting reports, and to make proposals or inquiries on the company's operations;
- The right to request the people's court to rescind resolutions passed by the General Meeting of Shareholders and the Board of Directors of the Company if such resolutions violate the articles of association.
- To receive dividends and other forms of interest distributions in proportion to their shareholdings;
- In the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them; and
- Other rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of the shareholders include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of their subscribed shares, and any other shareholders' obligation specified in the company's articles of association.

Shareholders' Meetings

The General Meeting of Shareholders is the organ of authority of the Company, which exercises its functions and powers in accordance with the Company Law. Under the Company Law, the General Meeting of Shareholders exercises the following principal functions and powers:

- To elect and replace the directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- To consider and approve the report of the Board of Directors;
- To review and approve the reports of the supervisory board
- To examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- To decide on any increase or reduction in the Company's registered capital;
- To decide on the issue of bonds by the company;
- To decide on merger, division, dissolution, liquidation of the company or change of its corporate form;
- To amend the articles of association; and
- Other powers as provided for in the articles of association.

A General Meeting of Shareholders is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following circumstances:

- The number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;
- When the outstanding losses of the Company amount to one-third of the total amount of capital stock;
- When requested by Shareholders individually or collectively holding more than 10% of the Company's shares;
- When deemed necessary by the Board of Directors;
- When the board of supervisors so requests; or
- Other circumstances as provided for in the articles of associations.

According to the Company Law, a General Meeting of Shareholders shall be convened by the Board of Directors of the Company and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting.

Where the Board of Directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory board shall convene and preside over General Meeting of Shareholders in a timely manner. If the supervisory board fails to convene and preside over General Meeting of Shareholders, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over General Meeting of Shareholders.

According to the Company Law, a notice of the General Meeting of Shareholders stating the time, location, and matters to be considered at the meeting shall be given to the Shareholders 20 days before the meeting; a notice of an extraordinary general meeting shall be given to the Shareholders 15 days prior to the meeting.

The Company Law does not stipulate a quorum for the General Meeting of Shareholders.

According to the Company Law, shareholders present at the General Meeting of Shareholders have one vote for each share they hold, except for class shareholders. Shares held by the Company are not entitled to any voting rights.

According to the Company Law, resolutions of the General Meeting of Shareholders must be passed by more than half of the voting rights held by shareholders present at the meeting. Resolutions to amend the Articles of Association, increase or reduce registered capital, and resolutions on merger, division, dissolution, or transformation of the Company must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting.

According to the Company Law, minutes shall be prepared in respect of matters considered at the general meeting, and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

The Board of Directors

According to the Company Law, a joint stock company must have a Board of Directors with at least three members. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. Upon expiry of the term of office, a Director may be re-appointed after being re-elected. If the term of office of a director expires without a timely re-election, or if a director's resignation results in the number of directors being less than the quorum, the original directors shall continue to perform their duties as directors in accordance with the laws, administrative regulations, and the articles of association until the newly elected directors take office.

Under the Company Law, the Board of Directors mainly exercises the following functions and powers:

- To convene general meetings of our Shareholders and report on its work to the general meetings of our Shareholders;
- To implement resolutions of the general meetings;
- To decide on the company's business plans and investment plans;
- To formulate the company's profit distribution schemes and loss make-up schemes;
- To formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- To formulate proposals for the merger, division, dissolution or transformation of the Company;
- To decide on the setup of the company's internal management organs;
- To appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss deputy general manager and chief financial officer of the company and to decide on their remunerations;
- To formulate the company's basic management system; and
- Other functions and powers as stipulated in the Articles of Association or granted by a General Meeting of Shareholders.

Board Meetings

According to the Company Law, the Board of Directors of a company shall convene meetings at least twice each year, and notices of meeting shall be given to all directors and members of the supervisory committee 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

If a resolution of the Board of Directors violates the laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Chairman of the board

Under the Company Law, the Board of Directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- A person who has no civil capacity or with limited capacity for civil conduct;
- A person who has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, or disrupting the order of economy, or has been deprived of his political rights due to crimes, where less than five years have elapsed since the date of completion of the sentence, and in case of being sentenced to probation, not more than two years have elapsed since the date of expiry of the probation period;
- A person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;
- A person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation or closure occurs; or
- An individual who has a relatively large sum of debts that are overdue, resulting in such person being listed by the People's Court as a dishonest person.

Audit Committee

A joint stock limited company may, under the articles of association, set up an Audit Committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Supervisory Committee as provided for in the Company Law. It may not have a Supervisory Committee or supervisors. The Audit Committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the Audit Committee, each member shall have one vote. The discussion methods and voting procedures of the Audit Committee shall be prescribed in the articles of association, unless it is otherwise provided for by the Company Law.

Where a public listed company has an Audit Committee under the Board of Directors, the following matters shall be approved by more than half of all Audit Committee members before being approved by the Board of Directors:

- The accounting firm that hires and dismisses the Company that audits the Company;
- Appoint and dismiss the person responsible for finance.
- Disclosure of financial accounting reports.
- Other matters stipulated by the supervisory authorities under the State Council.

Manager and Senior Management

According to the Company Law, a joint stock limited company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and shall exercise his duties and powers in accordance with the provisions of the company's articles of association or the authorization of the Board of Directors. The manager shall be present at meetings of the Board of Directors. The Company's directors may decide that a member of the Board of Directors will also serve as the manager.

According to the Company Law, senior management refers to managers, deputy managers, financial officer, secretary of the Board of Directors of a listed company and other personnel as stipulated in the articles of association.

Duties of Directors and Senior Management

According to the Company Law, the Company's directors, supervisors, and senior management are required to comply with laws and administrative regulations and the articles of association, and have fiduciary and diligent duties to the Company. Compliance with the foregoing requirements is also required for the Company's controlling shareholders or de facto controllers who do not serve as the Company's directors but actually carry out the Company's affairs.

Directors and senior management are prohibited from:

- Encroachment on company properties and use of company's funds;
- Deposit of company funds into accounts under their own name or the name of other individuals;
- Bribery or acceptance of other illegal income by taking advantage of one's position.
- Accepting for their own benefit commissions from other parties dealing with the company;
- Unauthorized divulgence of confidential information of the company; and
- Other acts in violation of their duty of loyalty to the company.

Directors, Supervisors, and Senior Management who directly or indirectly enter into a contract or conduct a transaction with the Company, shall report to the Board of Directors or the Shareholders' Meeting on matters related to the conclusion of the contract or the transaction, and shall be subject to the resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of this Articles of Association. The preceding provisions shall apply to contracts or transactions entered into by the Company with any of the following: close family members of the Directors, Supervisors, or Senior Management; enterprises directly or indirectly controlled by the Directors, Supervisors, Senior Management, or their close family members; and Associates who have other connections with the Directors, Supervisors, or Senior Management.

Company's directors, supervisors, and senior management shall not use their positions to seek business opportunities for themselves or others that belong to the Company, except in one of the following circumstances: (i) Report to the Board of Directors or the Shareholders' Meeting and be approved by a resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Company's Articles of Association. (ii) The Company cannot take advantage of the business opportunity in accordance with the provisions of the law, administrative regulations, or the Articles of Association.

The Company's directors, supervisors, and senior management may not operate, for themselves or for others, any business that is the same as that of the Company they work for, without reporting to the Board of Directors or the Shareholders' Meeting and obtaining a resolution passed by the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Articles of Association.

Income generated by the directors, supervisors, or senior management in violation of the aforementioned shall be returned to the Company.

A director, supervisor or senior management who contravenes laws and administrative regulations or the articles of association in the performance of his/her roles resulting in any damage to the Company shall be liable to indemnify the Company for compensation.

Finance and Accounting

According to the Company Law, the Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations, and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

According to the Company Law, the financial and accounting report of a joint stock limited company should be made available at the Company for inspection by shareholders 20 days before the General Meeting of Shareholders. A joint stock limited company that makes public stock offerings shall publish its financial reports.

In distributing the current year's profit after tax, 10% of the profit shall be distributed to the Company's statutory common reserve fund. When the aggregate amount of the statutory common reserve fund has reached 50% or more of the Company's registered capital, further appropriations are not required. If the statutory common reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to recover such losses before extracting the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a General Meeting of Shareholders, make further allocations from its profits after taxation to the discretionary legal reserve fund. After the company has made up its losses and allocated to its statutory common reserve fund, the remaining profits after tax shall be distributed in proportion to the shares held by the shareholders, except as otherwise provided by the articles of association. Profits allocated to shareholders in violation of the regulations are returned to the Company. The Company shall not be entitled to the allocation of profits in respect of the Shares held by it.

The premiums from the issuance of Shares at a price exceeding the nominal value, the Amount of funds from the issuance of no-par value shares not included in the registered capital, and Other items required by the financial departments of the State Council to be included in the capital reserve fund shall be accounted for as the capital reserve fund of the Company. The statutory common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. Where the statutory common reserve fund are used to make up the company's losses, the discretionary reserve fund and statutory common reserve fund shall be used first. If the losses still cannot be covered, the capital reserve fund may be used in accordance with the regulations. Upon the transfer of the statutory common reserve fund into registered capital, the retained balance of such reserve fund shall not be less than 25% of the registered capital of the company before such transfer.

The Company shall have no other accounting books except the statutory accounting books. The company's assets shall not be deposited in any account opened under the name of an individual.

Appointment and Retirement of Accounting Firms

According to the Company Law, the appointment or dismissal of accounting firms responsible for the audits of the Company shall be determined by the General Meeting of Shareholders, Board of Directors of or the Supervisory Committee in accordance with the provisions of the articles of association. The accounting firm should be allowed to make representations when the General Meeting of Shareholders, Board of Directors or supervisory committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting data to the engaged accounting firm without any refusal, withholding, or falsification.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are made up and the statutory common reserve fund is drawn.

Amendments to Articles of Association

Pursuant to the Company Law, the resolution of a General Meeting of Shareholders regarding any amendment to the Articles of Association requires affirmative votes by at least two-thirds of the votes held by the Shareholders attending the meeting.

Dissolution and Liquidation

According to the Company Law, the Company shall be dissolved under any of the following circumstances: (i) the expiration of the term of operation as stipulated in the articles of association or the occurrence of other events of dissolution as stipulated in the articles of association; (ii) the shareholders have resolved at a General Meeting of Shareholders to dissolve the company; (iii) the company is dissolved by reason of its merger or division; (iv) the business license is revoked, the company is ordered to close down, or is rescinded in accordance with the laws; (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other pathways, rendering ongoing existence of the company a cause for material loss to the shareholders.

In the event that a company has in dissolution, the events of dissolution shall be made public through the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraph (i) or (ii) above, the Company may carry on its existence by amending its Articles of Association or upon resolutions of the general meeting under the condition that the Company has not distributed the assets to the Shareholders. Amendments to the Articles of Association or by resolutions of the general meeting in accordance with the requirements of the Listing Rules shall require approval of more than two thirds of the voting rights of the Shareholders attending the General Meeting of Shareholders.

If the Company is dissolved in the circumstances described in items (i), (ii), (iv) or (v) above, it shall be liquidated. The Company's directors are responsible for the liquidation of the Company and shall form a group committee to carry out the liquidation within fifteen days of the date of the causes of dissolution. The liquidation group shall be composed of directors, unless the company's articles of association provide otherwise or the General Meeting of Shareholders resolves to elect someone else. If a liquidation group is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation group, the interested parties may apply with the people's court for setting up a liquidation group with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- To liquidate the company's assets and to prepare the balance sheets and inventory of assets, respectively;
- To inform creditors by notice or announcement;
- To dispose of and liquidate the Company's outstanding operation;
- To pay any tax overdue as well as tax amounts arising from the process ofliquidation;

- To settle claims and liabilities;
- To distribute the company's remaining assets after its debts have been paid off; and
- To represent the Company in civil lawsuits.

The liquidation group shall notify creditors within 10 days from the date of its establishment and issue an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days of receipt of the notification or within 45 days of the date of the announcement if he did not received any notification.

Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documentation thereon. The liquidation group should register the creditors' rights. The liquidation group shall not settle the debts to creditors during the creditor's claim period.

Upon iquidation of the company's property and preparation of the balance sheets and inventory of assets, the liquidation group shall draw up a liquidation plan and submit this plan to the shareholders' general meeting or a people's court for approval. After the payment of liquidation expenses, employees' wages, social insurance premiums expenses and statutory compensation, outstanding taxes, and the debts owed by the Company, the remaining assets of the Company shall be distributed to the shareholders in proportion to their shareholding.

The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the balance sheets and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a bankruptcy liquidation in accordance with the laws. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to the shareholders' general meeting or the people's court for verification, and shall be submitted to the registration authority of the company in order to apply for deregistration.

When performing the duties in relation to the liquidation, members of the liquidation group shall bear the duties of loyalty and diligence. Members of the liquidation group who are negligent in performing their liquidation duties and cause losses to the Company shall be liable for compensation. Those who cause losses to creditors due to intentional acts or gross negligence shall be liable for compensation.

Liquidation of a company declared bankrupt according to law shall be carried out in accordance with the laws on corporate bankruptcy.

Overseas Listing

According to the "Overseas Listing Trial Measures," an issuer's overseas initial public offering or listing shall be filed with the China Securities Regulatory Commission within 3 working days after submitting the overseas issuance and listing application documents. After the issuer's overseas offering and listing, if securities are issued in the same overseas market, a recordation shall be filed with the CSRC within 3 working days upon completion of the issuance. In addition, for filing materials that are complete and compliant, the CSRC shall complete the filing within 20 working days from the date of receving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall notify the issuer of the supplementary materials required within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Merger and Demerger

Companies merger may take the form of merger by absorption or establishment of a new company. If the company adopts a merger by absorption, the company which is absorbed shall be dissolved. If the company takes the form of incorporation, the merging parties are dissolved.

A merger agreement shall be signed by the merging parties, and the merging parties shall prepare respective the balance sheets and checklists of properties. The Company shall notify creditors within 10 days from the date of making the decision of merger, and publicly announce it in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within thirty days upon the receipt of the notice or within forty-five days upon the issuance of the announcement if they fail to receive a notice, require the Company to settle its debts or to provide corresponding guarantees. In the case of a merger, the credits and debts of the companies involved shall be succeeded by the company that survives the merger or by the newly established company.

Where a company merges with a company in which it holds more than 90% of the shares, the company merged is not required to obtain a resolution of the General Meeting of Shareholders, but shall give notice to the other shareholders, who shall have the right to request the company to acquire their shares or shares at a reasonable price. The payment of a price by a company for a merger that does not exceed 10% of the Company's net assets may be exempt from a resolution of the General Meeting of Shareholders, unless otherwise provided in the Articles of Association. Where a merger is to be effected in accordance with the preceding two paragraphs without a resolution of the General Meeting of Shareholders, it shall be subject to a resolution of the Board of Directors.

As for the division of a company, its assets shall be divided accordingly, and balance sheets and asset inventories shall be prepared. If the resolution on the division of a company is passed, the company must, within ten days of the date of passing such resolution, give notice to all of its creditors and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. Unless the Company has reached a written agreement with its creditors on the discharge of debts prior to the division, the companies after the division of a company shall be jointly and severally liable for the debts of the Company prior to the division.

The PRC Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council issued and implemented the Interim Provisional Regulations on the Administration of Share Issuance and Trading. The regulations involve the application and approval procedures for public offerings of equity securities, the transaction of shares, takeovers by listed companies, liquidation and transfer, information disclosure by listed companies, investigations and penalties, and arbitration of disputes.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). The provisions mainly involve the issuance, subscription, trading, declaration of dividends and other distributions of domestic listed foreign shares, and the information disclosure of joint stock limited companies with domestic listed foreign shares.

The Standing Committee of the National People's Congress (SCNPC) promulgated the Securities Law on December 29, 1998, which took effect on July 1, 1999, and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. The Securities Law is the first national securities law in China, regulating the issue and trading of securities, acquisitions by listed companies, securities exchanges, securities companies, and the obligations and responsibilities of the supervisory authorities under the State Council. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of The Securities Law stipulates that domestic companies, when directly or indirectly issuing securities overseas or listing their securities for trading overseas, shall comply with the relevant provisions of the State Council.

Issued and implemented by the China Securities Regulatory Commission on November 14, 2019, and revised on August 10, 2023, the "idelines for the 'Full Circulation' Program for Domestic Unlisted Shares of H-share Listed Companies" aims to regulate the listing and circulation of unlisted shares of domestic joint stock limited companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued additionally in the domestic market after overseas listing, and unlisted shares held by foreign shareholders) (hereinafter referred to as "**Full Circulation**"). Domestic joint stock companies that have not yet been listed may file a record of "Full Circulation" with the China Securities Regulatory Commission when they conduct an initial public offering and listing overseas.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC was promulgated by the Standing Committee of the NPC on August 31, 1994, and became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017 and became effective on January l, 2018. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration rules by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. If the parties reach an arbitration agreement and one party files a lawsuit with the people's court without declaring that there is an arbitration agreement, and after the people's court has accepted the case, the other party submits the arbitration agreement before the first hearing, the people's court shall dismiss the case unless the arbitration agreement is invalid. If the other party does not raise an objection before the first court session to the people's court accepting the case, it is deemed to have waived the arbitration agreement, and the people's court shall continue with the trial.

According to the Arbitration Law and the Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration, and the parties shall comply with the award. If one party fails to perform, the other party may apply to the people's court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. The people's court where the application is filed shall enforce it. The people's court may refuse to enforce an arbitral award made by an arbitration commission if the composition of the tribunal or the arbitration proceedings do not comply with the arbitration rules, or if the subject matter of the award does not fall within the scope of the arbitration agreement or the arbitration body does not have the authority to arbitrate.

A party seeking to enforce an arbitral award of CIETAC against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principle of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC agreed to accede to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") on December 2, 1986, pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made by Member States of the New York Convention shall be recognized and enforced by other Member States of the New York Convention, but under certain circumstances (including where the enforcement of the arbitral award conflicts with the public policy of the state to which the

application for enforcement is made), Member States of the New York Convention have the right to refuse enforcement. At the time of China's accession to the New York Convention, the Standing Committee of the National People's Congress simultaneously announced: (i) China will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of another contracting state on the basis of reciprocity; (ii) China will only apply the Convention to disputes deemed under Chinese law to arise from contractual and non-contractual commercial legal relationships.

The Supreme People's Court issued the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region on January 24, 2000, which was implemented on February 1, 2000. The Supreme People's Court issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region on November 26, 2020, which was implemented on November 27, 2020, modifying the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region. According to the aforementioned regulations, mainland arbitration bodies made in accordance with the Arbitration Law may be enforced in Hong Kong, and Hong Kong arbitration awards may also be enforced in the mainland.

Judicial Judgment and Enforcement

The Supreme People's Court's Arrangement for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region, which was issued on 14 January 2019 and will come into effect on 29 January 2024, repeals the Supreme People's Court's Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and Hong Kong SAR Pursuant to Agreed Jurisdiction by Parties Concerned, and further stipulates the scope of judgments, the procedures and methodologies for applying for recognition and enforcement, the review of the jurisdiction of the original judgment court, the circumstances in which judgments will not be recognized and enforced, and the avenues of redress for mutual recognition and enforcement of civil and commercial judgments by the courts of mainland China and Hong Kong.

This Appendix contains a summary of the principal provisions of the Articles of Association adopted on April 27, 2025, which will become effective on the date on which the H Shares are **[REDACTED]** on the Stock Exchange. The main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association, and it may not necessarily contain all data that is important to potential investors.

SHARE ISSUE

The Company's shares are in the form of registered shares.

The issuance of shares by the Company shall be conducted on the principle of openness, fairness and justness, with each share of the same class bearing equal rights.

Shares of such class in each issuance shall be issued under the same issuing conditions and at the same price. Each of the shares shall be subscribed for at the same price by any units or individual.

The par value of the nominal shares issued by the Company is denominated in RMB, with a par value of RMB1 per share.

INCREASE/DECREASE IN SHARES AND SHARE BUY-BACKS

The Company may, based on its needs for operation and development and in accordance with the law, regulation, departmental rules, regulatory document, the Hong Kong Listing Rules, security regulatory rules at the place where the Company's shares are listed and requirements of the regulatory body, increase its capital in the following ways subject to separate resolutions of the general meeting of our Shareholders:

(1) Issue of shares to an unspecified target group.

(2) Issue of Shares to a Specific Object.

(3) issuing bonus shares to existing shareholders;

(4) conversion of reserve funds to share capital;

(5) Other methods stipulated by laws and administrative regulations, as well as the China Securities Regulatory Commission, the Hong Kong Listing Rules, and the securities regulatory authorities in the places where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the relevant provisions of the Company Law, the Hong Kong Listing Rules and other applicable laws, administrative regulations, departmental rules, regulatory documents and the procedures stipulated in the Articles of Association.

A company shall not purchase its own shares except under any of the following circumstances:

(1) reducing the Company's registered capital;

(2) merging with another company that holds shares in the Company;

(3) granting shares as incentive to the staff of our Company;

(4) Shareholders who have objections to the resolutions on the merger or division of the Company made at the general meeting of our Shareholders, and request the Company to acquire their Shares;

(5) use of shares for conversion of convertible corporate bonds into shares issued by the Company;

(6) necessary for the Company to maintain its value and protect the interests of the shareholders;

(7) Others as stipulated by laws, regulations, departmental rules, the Hong Kong Listing Rules, the regulatory rules of the place where the Company's shares are listed, and as permitted by the relevant regulatory authorities.

The Company may acquire its own shares through public centralized trading, or through other means recognized by laws, administrative regulations, the Hong Kong Listing Rules, and the securities regulatory authority in the place where the Company's shares are listed.

Where the Company acquires its own shares in the circumstances set out in subparagraphs (3), (5) and (6) of paragraph 1 above, it shall do so in a public and centralized manner, subject to compliance with the requirements of the applicable securities regulatory rules and Guidelines of the place where the Company's shares are listed.

The acquisition by the Company of its own shares on the grounds set out in item (1) and item (2) above shall be approved by way of a resolution of a shareholders' general meeting; In the event of acquisitions of the Company's shares under the circumstances stipulated in clauses (3), (5), and (6) above, the Company may, in accordance with the provisions of the Articles or the authorization of the general meeting of our Shareholders, and subject to the applicable security regulatory rules of the place where the Company's shares are listed, pass a resolution at the meetings of the Board with more than two-thirds of the Directors attending. After acquiring shares in the Company, the Company shall fulfill its obligations of disclosure of information in accordance with relevant laws and regulations, the Hong Kong Listing Rules and the relevant regulations of the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

After the Company purchases its own shares in accordance with the provisions of the first clause above, under the circumstances set out in item (1), such shares shall be canceled within ten days from the date of acquisition, subject to the applicable security regulatory rules of the place where the Company's shares are listed; under the circumstances set out in clauses (2) and (4), such shares shall be transferred or canceled within six months. Under the circumstances in items (3), (5), or (6), the total shares held by the Company shall not exceed 10% of the total number of the shares issued by the Company and shall be transferred or canceled within three years.

TRANSFER OF SHARES

Shares of the company issued prior to the public issuance of shares may not be transferred within one year of the date of the company's listed on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the transfer of shares held by shareholders or effective controllers of listed companies, such provisions shall prevail.

The Company's directors and senior management personnel shall declare to the Company the shares of the Company held by them and any changes thereof. During their term of office, the shares transferred annually shall not exceed 25% of the total number of the Company's shares held by them. Except for changes in shareholding due to judicial enforcement, inheritance, bequest, division of property according to the laws, etc. Shares held in the Company may not be transferred within one year from the date of **[REDACTED]** of the Company's Share certificates. The above-mentioned persons may not transfer their shares in the Company within half a year after leaving their posts.

Where a Share is pledged within the term of restriction on transfer specified by laws and administrative regulations, the pledgee may not exercise the pledge right within the term of restriction on transfer.

Where the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of overseas listed foreign shares, such provisions shall prevail.

If a shareholder holding more than 5% of the Company's shares, a Director, or senior management personnel sells his/her shares or other securities of an equity nature within six months of the date of purchase, or buys them again within six months of the date of sale, the proceeds therefrom shall belong to the Company, and the Board of Directors of the Company shall recover the proceeds therefrom. However, a securities company which holds 5% or more of the shares as a result of its underwriting of the unsubscribed shares, and other circumstances stipulated by the CSRC are excluded. If the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the restrictions on the transfer of H Shares imposed by the relevant regulatory authorities provide otherwise, such provisions shall prevail.

The shares or other securities of equity nature held by the Directors, senior management personnel, and natural person Shareholders referred to in the preceding paragraph shall include the shares or other securities of equity nature held by their spouses, parents, children and held through Others' accounts.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company establishes and maintains a register of shareholders, which is sufficient evidence that a shareholder holds shares in the Company, based on the credentials provided by the securities registration authority and in accordance with laws, regulations and regulatory documents, the Hong Kong Listing Rules, etc. The original H Shares register shall be kept in Hong Kong, and the Company shall keep a copy of the H Shares register at the Company's domicile. The entrusted overseas agents shall ensure the consistency of the original and copy H Shares registers at all times. The register of shareholders kept in Hong Kong shall be made available for inspection by shareholders. The Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Shareholders shall enjoy rights and assume obligations according to the class and number of shares they hold; shareholders holding shares of the same class shall enjoy equal rights and assume equal obligations.

Rights and obligations of shareholders

Shareholders of the Company enjoy the following rights:

(1) the right to receive dividends and other forms of benefit distributions in proportion to their shareholdings;

(2) the right to request, convene, chair, attend or appoint proxies to attend the general meeting of our Shareholders and to exercise corresponding voting rights in accordance with the law;

(3) to supervise the operation of the Company, and make suggestions or inquiries;

(4) Transfer, gift or pledge the Shares they hold in accordance with the laws and administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the relevant provisions of the relevant regulatory authorities and the Articles of Association.

(5) In accordance with the provisions of the Company Law, the Securities Law and other laws and administrative regulations, inspect and copy the Articles, the register of shareholders, the minutes of the shareholders' meetings, the resolutions of the meetings of the Board of Directors, and the financial and accounting reports. Shareholders who, individually or jointly, hold more than 3% of the Company's shares for more than 180 consecutive days may inspect the Company's accounting books and accounting vouchers. If the Company has reasonable grounds to believe that the shareholders' inspection of accounting books and accounting vouchers has improper goals and may harm the legitimate interests of the Company, the Company may refuse to provide access and shall respond in writing to the shareholders with reasons.

(6) to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(7) Inspect the Hong Kong branch register of shareholders of the Company, but the Company may suspend the registration of shareholders in accordance with equivalent provisions of Section 632 of the Companies Ordinance (Laws of Hong Kong Cap. 622).

(8) to request the Company to purchase their shares for the Shareholders who object to the Company's resolution on merger or division made by the general meeting of our Shareholders;

(9) Other rights stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the relevant regulations of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, or the Articles.

Shareholders of the Company shall assume the following obligations:

(1) To abide by the laws, administrative regulations and the Articles;

(2) To pay subscription monies according to the shares subscribed and the method of subscription;

(3) not to withdraw its share capital unless in accordance with the laws and regulations;

(4) not to misuse rights as a shareholder to infringe the interests of the Company or other shareholders; nor to misuse the status of the Company as an independent legal entity and limited liability as a shareholder to impair the creditors of the Company.

(5) To undertake other obligations that should be assumed according to the provisions of the laws and administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, the relevant regulatory authorities and the Articles of Association.

Any shareholder who abuses his rights as a shareholder and causes any loss to the Company or any other shareholder shall be liable for indemnification of such loss according to law. If Shareholders of the Company abuse the independent status of the Company as a legal person and the limited liability of the Shareholders, evade debts and seriously damage the interests of the creditors of the Company, they shall be jointly and severally liable for the Company's debts.

CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

The controlling shareholder and de facto controller of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the business rules of the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the relevant regulatory authorities, so as to safeguard the interests of the public listed companies.

The controlling shareholder and de facto controller of the Company shall comply with the following provisions:

(1) Exercise their rights as shareholders according to the laws, and not abuse their right to control or use their connections to harm the legitimate rights and interests of the Company or Others.

(2) Strictly fulfill the public statements and commitments made, and may not be changed or waived without authorization.

(3) Strictly comply with relevant regulations regarding the duty of disclosure of information, actively cooperate with the Company in its disclosure of information, and promptly inform the Company of any material events that have occurred or are about to occur.

(4) Do not appropriate Company funds in any way.

(5) No order, instruction or request shall be made to the Company or related personnel to provide guarantees in violation of laws and regulations.

(6) Do not use undisclosed material information about the Company to further their interests, do not disclose in any way undisclosed material information about the Company, and do not engage in insider trading, short-term trading, market manipulation or other illegal acts.

(7) Not to harm the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distributions, asset restructuring, external investments or any other means.

(8) Ensure the Company's integrity of assets, personnel independence, financial independence, organizational independence and operational independence, and affect the independence of the Company in any way.

(9) Laws, administrative regulations, provisions of the China Securities Regulatory Commission, the Hong Kong Listing Rules, business rules, securities regulatory rules of the place where the Company's shares are listed, and the provisions of relevant regulatory authorities and others as stipulated in the Articles of Association.

Where the controlling shareholder or de facto controller of a company does not serve as a Director of the Company but actually runs the company's affairs, the provisions of the Articles regarding the Directors' fiduciary duty and diligence obligation shall apply.

The Company's controlling shareholder(s) and actual controller(s), who instruct the Company's directors and senior management to act in a way that harms the interests of the Company or its shareholders, shall be jointly and severally liable with the directors and senior management.

SHAREHOLDERS' MEETINGS

General provisions of Shareholders' Meeting

The general meeting of Shareholders is composed of all shareholders. The general meeting of Shareholders serves as the Company's organ of authority and exercises the following functions and powers according to the laws:

(1) to elect and replace Directors who are not employee representatives, and make decisions on remuneration matters for Directors;

(2) to review and approve the annual reports of the Board of Directors;

(3) to review and approve the company's profit distribution proposals and loss-making recovery plans;

(4) to decide on any increase or reduction of the company's registered capital;

(5) to make resolutions regarding the issuance of corporate bonds;

(6) to make resolutions on Company merger, division, dissolution, liquidation or change of Company form;

(7) to amend the Articles.

(8) to make resolutions on the appointment and dismissal of the accounting firm engaged by the Company to perform audit services;

(9) To consider and approve transactions that, according to the Articles of Association and the rules of procedure for the shareholders' meeting, should be decided by the shareholders' meeting, and to consider and approve matters related to guarantees as stipulated in Article 47 of the Articles of Association.

(10) to review and approve the Company's purchase and sale of material assets within one year exceeding 30% of the Company's latest audited total assets;

(11) to review and approve changes in the use of raised funds;

(12) to review equity incentive plans and employee shareholding plans;

(13) to consider transactions (including one-off transactions and a series of transactions requiring aggregation for the calculation of percentage ratios) for which any of the applicable percentage ratios calculated by the Company in accordance with the provisions of Rule 14.07 of the Hong Kong Listing Rules is 25% or more (excluding any transactions that are exempt from shareholders' approval under the Hong Kong Listing Rules or with the approval of the Hong Kong Stock Exchange) or connected transactions for which any of the applicable percentage ratios is 5% or more (including one-off transactions but excluding any transactions that are exempt from shareholders' approval under the Hong Kong Listing Rules or that have been approved by the Hong Kong Stock Exchange) or any connected transaction where any of the applicable percentage ratios is 5% or more (including one-off transactions and a series of transactions which require the aggregation of percentage ratios but excluding any connected transactions that are exempt from disclosure or public announcement under the Hong Kong Listing Rules or with the approval of the Hong Kong Stock Exchange).

(14) to review other matters that shall be determined by the general meeting of our Shareholders as required by laws and administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed, relevant regulatory bodies or the Articles.

The Shareholders' Meeting may authorize the Board of Directors to resolve on the issuance of Company bonds.

The following external guarantees of the Company are required to be reviewed and approved through the general meeting of our Shareholders:

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;

(2) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its total assets as audited in the latest period;

(3) any guarantee with an amount exceeding 30% of the latest audited total assets of the Company within one year;

(4) Guarantee provided to parties with a ratio of liabilities to assets exceeding 70%

(5) a single guarantee with an amount exceeding 10% of the Company's latest audited net assets;

(6) guarantees provided to Shareholders, actual controllers, and their related parties;

(7) Others as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, relevant regulatory authorities or the Articles, which require the approval of the shareholders' meeting.

The General Meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within six months after the end of the previous fiscal year.

If any of the following circumstances occurs, the Company shall convene an extraordinary general meeting within 2 months from the date of occurrence:

(1) When the number of Directors is less than two-thirds of the number of Directors specified in the Articles;

(2) when the Company's outstanding losses reach 1/3 of the total amount of capital stock;

(3) when requested by Shareholders individually or collectively holding more than 10% of the Company's shares;

(4) when considered necessary by the Board;

(5) when the Audit Committee proposes to convene;

(6) other circumstances stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed, relevant regulatory bodies, or the Articles.

The number of shares held by the shareholders referred to in the preceding subparagraph (3) is calculated based on the number of shares of the Company held on the date of the shareholder's written request.

Notice of the general meeting of our Shareholders

Directors shall convene a shareholders' meeting within the prescribed term.

Independent non-executive Directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, provided that such a proposal is agreed to by a majority of all independent non-executive Directors. In response to a proposal by an independent non-executive Director to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles, give a written response within 10 days of receipt of the proposal, agreeing or disagreeing to the convening of an extraordinary general meeting. If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the resolutions of the Board are made; if the Board does not agree to convene the extraordinary general meeting, it shall explain the reasons and make a public announcement.

The Audit Committee proposes to the Board to convene an extraordinary general meeting, and such proposal shall be made in writing. The Board of the Company shall provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the motions in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles. If the Board of the Company agrees to convene an extraordinary general meeting, a notice of such meeting shall be issued within five days after a resolution of the Board is passed. Approval of the Audit Committee must be sought if the proposal in the notice is different from the original proposal. If the Board of the Company does not agree to convene an extraordinary general meeting, or fails to reply within 10 days upon receipt of the motions, the Board of the Company shall be deemed to be unable, or to fail, to perform its Duties to convene a general meeting of our Shareholders, and the Audit Committee may convene and preside over the general meeting of our Shareholders.

Shareholders individually or collectively holding more than 10% of the Company's shares have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit the request to the Board of Directors in writing. The Board of the Company shall, in accordance with the laws, administrative regulations, the security regulatory rules of the place where the Company's shares are listed, and the Articles, provide written feedback on whether it agrees or disagrees with convening an extraordinary general meeting within 10 days after receiving the request. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting of our Shareholders within five days after making the resolutions of the Board. Any changes to the original proposal in the notice must obtain the consent of the Proposing Shareholders. If the Board of Directors does not agree to convene an Extraordinary General Meeting, or fails to provide feedback within 10 days after receiving the request, Shareholders individually or collectively holding more than 10% of the Company's shares may propose to the Audit Committee to convene an Extraordinary General Meeting and shall submit a written request to the Audit Committee. Where otherwise stipulated by laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail. If the Audit Committee agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of a general meeting of our Shareholders within the prescribed period, it shall be deemed that the Audit Committee has not convened and presided over a general meeting of our Shareholders. Shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

The convener shall give notice to each shareholder by means of a public announcement 20 days before the Annual General Meeting and 15 days before the Extraordinary General Meeting.

When calculating the aforementioned starting term, the Company shall exclude the date on which the meeting is held, but include the date on which the notice is sent.

The notice of a general meeting of our Shareholders should include the following:

(1) the time, place, and duration of the meeting;

(2) the matters and proposals submitted to the meeting for consideration;

(3) an explanation in obvious words: All Shareholders have the right to attend the general meeting of our Shareholders and may entrust a nominee in writing to attend the meeting and participate in voting. The proxies do not have to be a Shareholder of the Company;

(4) the equity registration date of Shareholders entitled to attend the general meeting of our Shareholders;

(5) the name and telephone number of the default contact person as to the meeting affairs;

(6) the voting time and voting procedures online or by other means (if any);

(7) other requirements as stipulated by laws, regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed, the Articles, and other relevant provisions.

The notice and supplementary notice of the general meeting of our Shareholders shall fully and completely disclose all the specific contents of all motions.

Convening of the shareholders' meeting

All shareholders registered in the share register on the record date, or their nominees, shall have the right to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles (unless individual shareholders are required to abstain from voting on individual matters under the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend the shareholders' meeting in person or appoint a nominee to attend, speak and vote within the scope of the authorization on their behalf. A nominee need not be a shareholder of the Company.

Shareholders shall appoint their agents in writing or by submitting the form to the designated electronic address approved by the Directors. The form shall be signed by the appointor or his/her agent appointed in writing or submitted to the designated electronic address or by electronic means. If the appointor is a legal person(s), the form shall be affixed with the seal of the legal person(s) or signed by its duly appointed agent or submitted to the designated electronic address or by electronic means.

If the Shareholder is the Recognised Clearing House of the jurisdiction where the shares of the Company are listed or its nominee, the Shareholder may authorize one or more persons it deems appropriate to act as its representative or its proxy at any general meeting of our Shareholders or any meeting of creditors; however, if more than one person is authorised, the power of attorney shall specify the number and class of shares involved by each such person, and the power of attorney shall be signed by the authorised personnel of the Recognised Clearing House. The person(s) so authorised may attend the meeting on behalf of the Recognised Clearing House (or its agent) (upon presentation of his/her identification, without presenting the shareholding certificate, notarized authorization and/or further evidence to prove that he/she is duly authorised) to exercise his/her rights as if he/she was an individual shareholder of the Company, enjoying the statutory rights equivalent to those of other shareholders, including the right to speak and vote.

If an individual Shareholder attends the meeting in person, he or she should present his/her identity card or other valid certificate or proof that can indicate his/her identity; if he/she entrusts a proxy to attend the meeting, he/she should present his/her valid identity card or the Shareholder's power of attorney.

Legal person Shareholders shall be represented by their legal representative, or an agent entrusted by the legal representative to attend the meeting. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate that proves his/her qualifications as a legal representative; If a proxy attends the meeting, the nominee shall produce his/her ID card and a power of attorney issued by the legal representative of the legal person(s) shareholder(s) according to the laws.

The shareholders of a partnership shall be represented at the meeting by the managing partner or a proxy appointed by the managing partner or by the managing partner or a nominee appointed by the managing partner. If an executive partner or an authorized representative of an managing partner attends the meeting, he or she shall produce his or her ID card and valid proof of his or her capacity as an managing partner or an authorized representative of an managing partner. If an agent attends the meeting, the agent shall produce his/her ID card and a power of attorney issued in accordance with the laws by the managing partner or the authorized representative of the partnership. Shareholders are excepted from recognized clearing houses (or their agents) as defined by relevant regulations enacted from time to time in Hong Kong.

The power of attorney issued by a Shareholder to entrust another person to attend the general meeting of our Shareholders shall specify the following contents:

(1) Name of the principal, the type and number of shares in the Company held;

(2) The name of the proxy;

(3) Specific instructions from the shareholders, including instructions to vote in favor, against, or abstain from voting for each matter included in the agenda of the Shareholders' meeting;

(4) The date of issuance and validity period of the power of attorney;

(5) Signature (or seal) of the principal. If the principal is a legal person Shareholder, the seal of the legal person entity shall be affixed.

The power of attorney should indicate whether the Shareholder's agent can vote according to his/her own will if the Shareholder does not give specific instructions.

If the power of attorney for voting by proxy is signed by a person authorized by the principal, the power of attorney or other authorization documents shall be notarized. Both the notarized power of attorney or other authorization documents and the power of attorney for voting by proxy must be deposited at the Company's residence or other place designated in the notice convening the meeting 24 hours before the meeting or 24 hours before the designated voting time.

The Company is responsible for preparing a register of meeting attendees. The meeting register shall specify the name (or name of the entity) and ID number of the person (or entity) attending the meeting, the number of voting Shares held or represented, and the name (or name of the entity) of the proxy.

The convener shall verify the legality of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing organization, and register the shareholder's name (or name) and the number of voting shares held. Registration shall end when the chairperson announces the total number of shareholders and proxies present in person and the total number of shares with voting rights held. Shareholders who vote through online voting shall have their shareholder status verified by the securities exchange's identity verification institution or others as permitted by the securities regulatory rules of the place where the Company's shares are listed.

Where the Shareholders require the Directors or senior management personnel to attend the meeting, the Directors and senior management personnel shall attend and address the inquiries of the Shareholders.

The general meeting of our Shareholders is chaired by the chairman of the Board of Directors. In the event that the chairman of the board of directors is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting.

The shareholders' meeting convened by the audit committee shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his or her duties, a member of the audit committee selected jointly by a majority of the audit committee members shall preside over the meeting.

A general meeting of our Shareholders convened by the Shareholders themselves shall be presided over by a representative elected by the convener.

When convening a general meeting of our Shareholders, if the meeting presider violates the rules of procedure and makes it impossible to continue the general meeting of our Shareholders, with the consent of more than half of the Shareholders present at the general meeting of our Shareholders with voting rights, the general meeting of our Shareholders may elect one person to serve as the meeting presider and continue the meeting.

The Company formulates the Rules of Procedure for the Shareholders' Meeting, which stipulate in detail the proceedings for convening and voting at the shareholders' meeting, including such contents as notice, registration, consideration of motions, voting, vote counting, announcement of voting results, formulation of meeting resolutions, minutes of the meeting and their signing, and public announcements. The rules of procedure for the shareholders' meeting shall be attached to the Articles as an appendix and drafted by the Directors and approved by the shareholders' meeting.

At the annual general meeting, the Directors shall report on their work over the past year. Each independent non-executive Director shall also make a report on his work.

The Directors and Senior Administrators shall provide explanations and clarifications at the shareholders' meeting in response to queries and proposals from shareholders.

The presiding officer shall, before voting begins, announce the number of shareholders and nominees present in person and the total number of shares with voting rights held by them. The number of shareholders and nominees present in person and the total number of shares with voting rights held by them shall be determined on the basis of the registration for the meeting.

The shareholders' meeting shall have minutes, which shall be prepared by the secretary of the Board of Directors. The minutes of the meeting record the following:

(1) The time, place, agenda and name of the convener of the meeting;

(2) The name of the presiding officer and the Directors and Senior Administrators present or in attendance at the meeting.

(3) The number of shareholders and nominees attending the meeting, the total number of voting shares held and the percentage of the Company's total number of shares.

(4) The deliberation process, key points of the speeches and voting results for each motion.

(5) Shareholders' inquiries or suggestions and the corresponding responses or explanations.

(6) Name of the vote counter and supervisor.

(7) Others as stipulated in the Articles and to be included in the minutes of the meeting.

The convener shall ensure that the content of the minutes is true, accurate and complete. The Directors, Secretary of the Board of Directors, convener or his/her representative, and the presiding officer who attended the meeting or participated in the meeting shall sign the minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms as well as other valid information, and shall be retained for not less than 10 years.

The convener shall ensure that the shareholders' meeting continues until a final resolution is reached. If the shareholders' meeting is suspended or unable to make a resolution due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or to directly terminate this shareholders' meeting, and a public announcement and report shall be made in a timely manner in accordance with the laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the relevant regulatory authorities.

Resolutions of the General Meeting of our Shareholders

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting of our Shareholders must be passed by more than half of the voting rights held by the Shareholders (including proxies) present at the general meeting of our Shareholders.

Special resolutions made by the general meeting of our Shareholders must be passed by more than two-thirds of the voting rights held by the Shareholders (including proxies) present at the general meeting of our Shareholders.

The following matters shall be resolved by ordinary resolution at a general meeting of our Shareholders:

(1) work reports of the Board;

(2) profit distribution schemes and loss makeup plan prepared by the Board of the Company;

(3) the appointment and removal of members of the Board who are not represented by employee representatives, and the remuneration and manner of payment of such members; The removal of any director (including a chairman or other executive director) before the expiration of his term of office. However, such removal does not affect any claim for damages under any contract made by that director.

(4) the Company's annual budgets and final accounts;

(5) the annual report of the Company;

(6) the Company shall employ and dismiss accounting firms and determine their remunerations.

(7) connected transactions to be entered into by the Company with connected persons in an amount of more than 30 million yuan, and accounting for more than 5% of the Company's latest period's audited net assets;

(8) changing the project investment for the subscription funds.

(9) matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.

The following matters shall be resolved by special resolution at a general meeting of our Shareholders:

(1) the Company increases or decreases its registered capital;

(2) the merger, division, dissolution, liquidation (including voluntary liquidation) or change of corporate form of the Company;

(3) amending the Articles;

(4) the Company purchases or disposes of material assets within 1 year or the amount guaranteed exceeds 30% of the Company's latest audited total assets;

(5) share incentive plans;

(6) other matters that are stipulated in laws, administrative regulations, the Hong Kong Listing Rules, the Articles, or the securities regulatory rules and requirements of the regulatory body of the place where the Company's shares are listed, as well as the general meeting of our Shareholders determines by ordinary resolution that they will have a significant impact on the Company and need to be passed by special resolutions.

When the shareholders' meeting considers matters related to connected transactions, the connected shareholders shall not participate in the voting, and the number of voting Shares they represent shall not be counted in the total number of valid votes. The resolution of the shareholders' meeting shall state the avoidance and voting of the connected shareholders, and fully specify the voting of the non-connected shareholders.

The shareholders' meeting shall vote on all proposals, except for cumulative voting, on a case-by-case basis. If there are different motions on the same matter, they shall be voted on in the chronological order in which they were proposed. Except in the event that the shareholders' meeting is suspended or is unable to make a resolution due to special reasons such as force majeure, the shareholders' meeting may not set aside or not vote on the motions.

When the shareholders' meeting considers a proposal, no amendment to the proposal shall be made. Otherwise, the relevant changes shall be treated as a new proposal that cannot be voted on at this shareholders' meeting.

The same voting right can only be exercised by one of the following means of on-site voting, online voting or other means of voting. In the event of repeated voting of the same voting right, the results of the first vote shall prevail.

Voting at the shareholders' meeting is by open ballot.

Before the shareholders' meeting votes on the motions, it shall elect two shareholder representatives to participate in and supervise the vote counting. If the matters under consideration involve the interests of the shareholders, the relevant shareholders and their nominees shall not participate in the vote counting or supervision. When the shareholders' meeting votes on motions, shareholder representatives and members of the audit committee shall be jointly responsible for counting and monitoring the votes, and announce the voting results on the spot. The voting results of the resolutions shall be included in the meeting minutes. Shareholders of the Company or their proxies voting via the internet or video conference, telephone or other means have the right to check the result of their vote via the corresponding voting system.

The on-site meeting of shareholders shall end no earlier than the network or by other means. The meeting host shall announce the voting situation and results of each motion and announce whether the motion has been passed or not based on the voting results. Before the official announcement of the voting results, all parties involved in the voting, including the Company, the vote counter, the vote supervisors, the shareholders, and the network service providers, whether on site, online, or voting by other means, are obliged to keep the voting information confidential.

Shareholders attending the general meeting of our Shareholders shall express one of the following opinions on the motions submitted for voting: agree to, objection or abstention. Except for the securities registration and clearing institution, as the nominal holder of shares under the Interconnection Mechanism for Mainland and Hong Kong Stock Markets, makes declaration according to the intention of the actual holder. The securities registration and clearing organization shall have the right to appoint proxies or Company representatives to attend the issuer's shareholders' meetings and creditor meetings, and these proxies or Company representatives shall enjoy the statutory rights equal to those of the others, including the rights to speak and vote.

If a vote is not filled in, incorrectly filled in, illegible or not cast, the voter shall be deemed to have waived his/her voting rights, and the voting results for the number of shares held by him/her shall be counted as "abstain".

Where the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the relevant regulatory body require any shareholder to abstain from voting on any particular resolution or restrict any shareholder to vote for or against any particular resolution, any votes cast by or on behalf of such shareholders in contravention of such requirements or restrictions shall not be counted. If the presiding officer has any doubt as to the outcome of a resolution submitted for voting, he or she may organize a vote count of the votes cast. If the presiding officer does not conduct a vote count, and a shareholder or shareholder proxy attending the meeting objects to the outcome announced by the presiding officer, he or she has the right to request a vote count immediately after the voting result is announced, and the presiding officer shall immediately organize a vote count.

The resolution of the shareholders' meeting shall be announced in a timely manner. The public announcement shall specify the number of shareholders and proxies in attendance, the total number of shares with voting rights held and the percentage of the Company's total number of shares with voting rights, the voting method, the voting results of each motion, and the details of each resolution passed. The issuance of domestic-listed foreign shares shall be subject to separate statistics and public announcements on the attendance and voting of holders of domestic shares and holders of foreign shares.

If the motions are not passed, or if the shareholders' meeting changes the resolutions of the previous shareholders' meeting, a special reminder shall be included in the shareholders' meeting resolution.

DIRECTORS AND THE BOARD

Directors

Company's directors are natural persons. Directors are not required to hold shares in the Company. A person shall not serve as a director of the Company if he or she:

(1) without capacity or with limited capacity for civil conduct;

(2) has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, or disrupting the order of economy, or has been deprived of his political rights due to a crime, where less than five years have elapsed since the completion of the sentence, and in the case of being sentenced to probation, not more than two years have elapsed since the date of expiry of the probation period;

(3) has served as a Director, factory manager or manager of a company or an enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;

(4) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation or closure occurs;

(5) a person who fails to liquidate a relatively large amount of personal debts when they are due, resulting in such person being listed by the People's Court as a dishonest person;

(6) being subject to a ban from entering the securities market by the CSRC, with the term not yet expired;

(7) Those who have been publicly recognized by the stock exchange as being unsuitable to serve as the Company's directors, senior management, etc., and whose term has not yet expired.

(8) other contents stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, or the securities regulatory rules of the place where the Company's shares are listed and the requirements of relevant regulatory bodies.

If a director is elected, appointed or engaged in violation of the above provisions, such election, appointment or engagement shall be invalid. The Company shall remove a director from office and cease their duties if any of the aforementioned circumstances occur during their term of office.

Directors shall be elected or replaced by the general meeting of our Shareholders, with a term of three years. A director may serve consecutive terms if re-elected.

The shareholders' meeting, subject to compliance with the relevant laws, administrative regulations and the provisions of the Hong Kong Listing Rules, may, by ordinary resolution, remove any Director (including an Executive Director) before the expiration of their term of office (but without prejudice to any claim for damages under any contract). The resolution shall take effect on the date on which it is made.

The term of office of a Director shall be calculated from the date of office until the expiration of the term of the current Board of Directors. If a Director's term of office expires and is not re-elected in time, until the re-elected Director takes office, the original Director shall still perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles. Subject to the relevant laws and regulations and regulatory rules of the place where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy or as an addition to the Board of Directors, the term of office of the appointed director shall only end at the next annual general meeting of the Company, and they shall be eligible for re-election at that time. All Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

Directors may concurrently serve as senior management personnel, but the total number of Directors who concurrently hold the roles of senior management personnel shall not exceed 1/2 of the total number of the Company's directors.

The directors shall comply with laws, administrative regulations, the Hong Kong Listing Rules, and the Articles, and shall have the following duties of loyalty to the Company:

(1) no encroachment on the assets of a company or misappropriation of company funds;

(2) not to open accounts in his own name or in the name of any other person for the deposit of the Company's assets or funds;

(3) not to take advantage of one's position to engage in bribery or accept other illegal income;

(4) without reporting to the Board of Directors or the shareholders' meeting, and in accordance with the provisions of the Articles of Association, a resolution of the shareholders' meeting or the shareholders' meeting shall be passed, no Contract or transaction may be directly entered into or with our Company;

(5) no one may take advantage of their position to seek for themselves or others any business opportunities that belong to the Company, unless the matter has been reported to the Board of Directors or the shareholders' meeting and has been approved by a resolution of the shareholders' meeting, or the Company is unable to use the business opportunity due to laws, administrative regulations or the provisions of the Articles of Association;

(6) without reporting to the Board of Directors or the shareholders' meeting and obtaining the approval of a resolution of the shareholders' meeting, no one may operate a business similar to that of the Company, either on their own behalf or on behalf of another person;

(7) not accepting for their own benefit commissions from other parties dealing with the company;

(8) not to disclose secrets of the Company without authorization;

(9) not to take advantage of their connected relationships to prejudice the interests of the Company;

(10) other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, relevant regulatory authorities, and the Articles.

The income obtained by a director in violation of the above provisions shall belong to the Company; if any loss is caused to the Company, he/she shall be liable for compensation.

The Directors shall comply with the law, administrative regulations and the Articles of Association, and shall owe the Company the following diligence obligations. They shall perform their duties with the reasonable care normally exercised by managers in the best interests of the Company:

(1) shall prudently, earnestly and diligently exercise the rights granted by the Company to ensure that the Company's business practices comply with the requirements of state laws, administrative regulations, and state economic policies, and that the Company's commercial activities do not exceed the scope of business stipulated in the business license;

(2) to treat all shareholders fairly;

(3) shall maintain a timely awareness of the operation and management of the Company;

(4) the Directors shall sign a written confirmation of the Company's regular reports, ensuring that the Company discloses information in a timely and fair manner, and that the information disclosed is true, accurate, and complete. If the Directors cannot guarantee the authenticity, accuracy, and completeness of the contents of the securities issuance documents and regular reports or have any opposition, they shall express their opinion and state the reasons in the written confirmation opinion, which the Company shall disclose. If the Company does not disclose, the Directors may directly request disclosure;

(5) shall truthfully provide the Audit Committee with relevant information and materials, and shall not hinder the Audit Committee from exercising its functions;

(6) in the course of business activities, they shall exercise due care in accordance with the principle of business judgment and make every effort to safeguard the interests of the Company and all shareholders;

(7) other diligent obligations prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles.

If a Director fails to attend in person or to appoint another Director to attend the board meeting on two consecutive occasions, they shall be deemed to be unable to perform their duties, and the board of directors shall propose to the shareholders' meeting that they be replaced. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, Directors who attend Board meetings online, via video conference, by telephone or other means of equivalent effect shall also be deemed to have attended in person.

Directors may resign before the expiration of their term of office. The resignation of the Company's directors shall be submitted in writing to the Company. The resignation shall be effective on the date the Company receives the resignation. The Company will make disclosure within two trading days.

If the resignation of a Director results in the number of members of the Company's directors falling below the statutory minimum, or the resignation of an independent non-executive Director results in the proportion of independent non-executive Directors on the Board of Directors being less than one-third of the members of the Board of Directors or there being a lack of professionally qualified persons among the independent non-executive Directors, and this is not in compliance with the provisions of laws, regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles, the original Directors shall continue to perform their duties as Directors in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles, before the re-elected Directors assume office.

Independent non-executive Directors may resign before the end of their term of office. If the resignation of an independent non-executive Director results in the number of independent non-executive Directors being less than one-third of the number of Directors, or the requirements set out in the regulatory rules of the place where the Company's shares are listed are not met, the original independent non-executive Directors shall continue to perform the duties of independent non-executive Directors in accordance with the laws, administrative regulations, departmental rules and the provisions of the Articles before the newly elected independent non-executive Directors assume office. If at any time the Company's independent non-executive Directors do not meet the number, qualifications or independence requirements prescribed by the Hong Kong Listing Rules, the Company must promptly notify the Hong Kong Stock Exchange and issue a public announcement stating the relevant details and reasons. The Company must also appoint a sufficient number of independent non-executive Directors within three months to meet the requirements of the Hong Kong Listing Rules.

The Company has established a management system for the departure of directors, which clearly defines the coverage of public commitments that have not been fulfilled and other matters that have not been dealt with, as well as the measures to ensure accountability and recovery. When a director's resignation is effective or the term of office expires, he or she must complete all handover procedures with the board of directors. His or her obligation to keep the company's trade secrets confidential remains valid after the end of his or her term of office until such time as the information becomes public. Directors' other fiduciary duties to the company and shareholders remain valid for a period of three years from the date of departure. The liability of Directors for the performance of their duties during their term of office shall not be exempted or terminated by reason of their resignation.

No Director shall act on his/her own behalf on behalf of the Company or the Board without the legal authorization of the Articles or the Board. When a director acts on his/her own behalf and a third party may reasonably believe that the director acts on behalf of the Company or the Board, the director shall declare his/her position and identity in advance.

If the Company's directors violate the law, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of relevant regulatory authorities or the Articles when performing their duties, and losses are incurred to the Company, they shall be liable for compensation.

If the directors perform their duties and cause damage to others, the Company shall be liable for compensation. The Directors shall also be liable for compensation if there is intent or gross negligence on their part.

The Company's controlling shareholder(s) and actual controller(s), who instruct the Company's directors to act against the interests of the Company or its shareholders, shall be jointly and severally liable with the Company's directors.

The Company has independent non-executive Directors. Independent non-executive Directors shall perform their duties in accordance with the relevant provisions of the laws and regulations, the Hong Kong Listing Rules and the Articles.

The Board

The Company shall establish a Board of Directors, which shall be accountable to the general meeting of our Shareholders.

The board of directors of a company consists of 15 Directors, including five independent non-executive Directors.

The Board of Directors shall exercise the following functions and powers:

(1) to convene general meetings of our Shareholders and report on its work to the general meetings of our Shareholders;

(2) to execute resolutions of the shareholders' meeting;

(3) to resolve on the Company's annual business plans and investment plans;

(4) to formulate the company's profit distribution schemes and loss makeup plan;

(5) to formulate plans for the Company to increase or reduce its registered capital, issue bonds or other securities, and to be listed;

(6) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

(7) to decide on the Company's external investment, acquisition and disposal of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, external donations and other matters within the scope of authorization of the General Meeting;

(8) to decide on the setup of the company's internal management organs;

(9) to decide on the appointment or dismissal of the Company's manager, secretary to the Board of the Company and other senior management personnel, and determine their emoluments and rewards and punishments; decide on the appointment or dismissal of the Company's deputy manager, financial officer and other senior management personnel based on the nomination of the manager and decide on their emoluments and rewards and punishments;

(10) formulate the basic administration system of the company;

(11) to formulate the proposals for any amendment to the Articles;

(12) to manage information disclosure matters of the Company;

(13) to propose to the Shareholders the appointment or replacement of the accounting firm that audits the Company;

(14) to hear the work report of the manager of the Company and inspect the work of the manager;

(15) to formulate and review the Company's corporate governance policies and practices, and make recommendations to the Board of Directors;

(16) to review and monitor the training and continuous professional development of Directors and senior Administrators;

(17) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(18) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

(19) to review the Company's compliance with the Corporate Governance Code (Appendix 14 to the Hong Kong Listing Rules) and its disclosure in the Corporate Governance Report;

(20) to approve transactions that, according to the law, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, the relevant regulatory authorities and the Articles of Association, should be approved by the Board of Directors;

(21) other functions and powers granted by the laws, administrative regulations, departmental rules, the Articles or the general meeting of our Shareholders;

(22) others as required by laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the relevant regulatory authorities.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the general meeting of our Shareholders for consideration.

The Board of the Company shall have one chairman of the board of directors, who shall be elected and dismissed by more than half of the Directors. The term of office of the chairman shall be three years, and may be renewed upon re-election.

The chairman shall exercise the following functions and powers:

(1) to preside over general meetings and to convene and preside over the Board meetings;

(2) to supervise and inspect the implementation of board resolutions;

(3) to sign the Company's share certificates, bonds and other negotiable securities.

(4) to sign documents of the Council and other documents that should be signed by the legal representative;

(5) to exercise the powers of the legal representative;

(6) in the event of force majeure emergencies such as severe natural disasters, to exercise special powers to handle corporate matters in compliance with legal requirements and the interests of the company, and report to the board of directors of the company and the general meeting of our Shareholders afterwards;

(7) other functions and powers authorized by the Board.

If the chairman of the board of directors is unable or fails to perform his/her roles, more than half of the Directors shall jointly elect a Director to perform such roles.

Board meetings are divided into regular meetings and ad extraordinary meetings. Regular meetings are held at least 4 times each year on a quarterly basis.

Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors or the Audit Committee may propose to convene an interim meeting of the Board. The Chairman of the Board shall convene and preside over a board meeting within 10 days after receiving the proposal.

The Board of Directors shall give 14 days' written notice before a regular meeting and 5 days' written notice before an extraordinary meeting. The above notice period may be waived by decision of the Board of Directors as appropriate in each case. Any Director who attends the meeting without raising any objection before or at the beginning of the meeting about not receiving the notice shall be deemed to have received the notice of the meeting.

The notice of meetings of the Board includes the following:

(1) the date and venue of the meeting;

(2) the method and term of convening the meeting;

(3) the reasons for holding the meeting and the matters to be discussed;

(4) the date on which the notice was sent.

Meetings of the Board shall be held only if more than half of the Directors are present. Resolutions of the Board must be passed by more than half of all Directors.

Each director shall have one vote for resolutions to be approved by the board of directors.

If a Director is related to the enterprise involved in the resolutions made at the meetings of the Board, the Director shall promptly report to the Board of the Company and shall not exercise voting rights on the resolution, nor may he/she exercise voting rights on behalf of other Directors. The Board meeting can be held if more than half of the unrelated Directors are present, and resolutions made at the Board meeting must be passed by more than half of the unrelated Directors. If the number of Directors without connected relationship present at the Board meeting is less than three (3), the matter shall be submitted to the general meeting of our Shareholders for consideration.

Meetings of the Board of Directors shall be held in person or by other means approved by all Directors. While ensuring that the Directors can fully express their opinions, the use of the Internet, telephone and video conferencing to facilitate Directors' participation in board meetings is permitted. Directors participating in board meetings via the Internet, telephone or video conferencing are deemed to be present at the meeting in person.

If a substantial shareholder (for the purposes of this section only, a substantial shareholder means a shareholder who, either alone or with others, holds more than 10% of the total number of voting Shares of the Company) or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent non-executive Directors who, and whose close associates (as defined in the Hong Kong Listing Rules), have no material interest in the transaction should be present at the relevant Board meeting.

Resolutions of the Board of Directors are voted on by open ballot.

Provided that the directors may fully express their opinions, extraordinary board meetings may be convened and voted by way of telephone, fax, email and other electronic means, and such resolutions shall be signed by the directors attending the meeting.

Board meetings shall be attended by the Directors in person; if a Director is unable to attend for any reason, he/she may authorize another Director in writing to attend on his/her behalf. The power of attorney shall state the nominee's name, matters of agency, scope of authorization and valid duration, and shall be signed or stamped by the principal. Directors who attend meetings on their behalf shall exercise their rights within the scope of authorization. If a Director fails to attend a Board meeting or appoint a representative to attend, he/she shall be deemed to have given up his/her right to vote at the meeting.

The Board of the Company shall keep minutes of the resolutions of the matters discussed at the meeting, which shall be the responsibility of the personnel designated by the Board of Directors. The minutes shall be signed by the Directors present at the meeting.

The minutes of the Board of Directors meetings shall be kept as Company archives for a term of not less than 10 years.

The minutes of the Directors' meeting include the following:

(1) The date, place and name of the convener of the meeting;

(2) The names of the Directors attending the meeting and names of the Directors (proxies) appointed by others to attend the board meeting;

(3) Meeting agenda;

(4) Main points of the speech by the Directors;

(5) The voting method and result for each resolution (the voting result shall specify the number of votes for, against, or abstaining).

Special Committees of the Board

The Company's directors have established an audit committee to exercise the powers of the supervisory board as stipulated in the Company Law.

The Audit Committee shall comprise not less than three members who are non-executive Directors not serving as senior management of the Company, and the majority of whom shall be independent non-executive Directors. At least one of the members shall be an independent non-executive Director who is a financial accounting professional and meets the requirements of Rule 3.10(2) of the Hong Kong Listing Rules.

The Audit Committee exercises the powers of the Supervisory Board as stipulated in The Company Law, and is responsible for reviewing the Company's financial information and its disclosure of information, supervising and evaluating the internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration after being agreed to by more than half of all members of the Audit Committee:

(1) Disclosure of financial information in financial and accounting reports and regular reports, and internal control evaluation reports;

(2) The hiring or dismissal of an accounting firm that conducts audits of public listed companies;

(3) Appointment or dismall of the financial officer of the listed company;

(4) Changes in accounting policies or accounting estimates or corrections of significant accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated in laws, administrative regulations, the CSRC, security regulatory rules of the place where the Company's shares are listed, and the Articles.

The Audit Committee shall meet at least once every quarter. An extraordinary meeting may be called at the request of two or more members or when the convener deems it necessary. The Audit Committee meeting shall only be held when more than two-thirds of the members are present.

A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The resolutions of the Audit Committee shall be recorded in the minutes of the meeting, which shall be signed by the members of the Audit Committee who attended the meeting. The Board of Directors is responsible for formulating the working regulations of the Audit Committee.

The Company's directors shall establish other special committees such as nomination, remuneration and assessment, and strategy committees, which shall perform their duties in accordance with the Articles of Association and the authorizations of the Board of Directors. Proposals of the special committees shall be submitted to the board of directors for review and decision. The Board of Directors is responsible for formulating the working regulations of the special committees.

SENIOR MANAGEMENT

The Company has one General Manager, two Co-Presidents, several Deputy General Managers, one Chief Financial Officer and one Secretary of the Board of Directors. They are appointed or dismissed by the Board of Directors.

Senior management of the Company includes the General Manager, Co-Presidents, Deputy General Manager, Secretary of the Board of Directors, Chief Financial Officer and others recognized by the Board of Directors as senior management.

Persons who are not qualified to serve as directors under the circumstances provided in these Articles are also not qualified to serve as senior management. The provisions under these Articles in relation to duties of loyalty and duties of diligence of the Directors shall be applicable to the senior management.

Persons who hold administrative positions other than Directors or Supervisors in other entities controlled by the Company's controlling shareholders or de facto controllers may not serve as the Company's senior management. The Company's senior administrators are only paid by the Company and are not paid by the controlling shareholder.

The senior management personnel of the Company are appointed for a term of three years and can be re-appointed upon expiration of term of office.

The general manager and co-presidents shall be accountable to the Board and exercise the following functions and powers:

(1) to preside over the Company's production, operation, and management work, organize the implementation of Board resolutions, and report work to the Board;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to formulate a plan for the establishment of the Company's internal management organization;

(4) to formulate the Company's basic management system;

(5) to formulate the Company's specific rules;

(6) to propose to the Board to appoint or dismiss the Company's deputy general manager and financial officer;

(7) to decide to appoint or dismiss executives other than those who shall be appointed or dismissed by the Board of the Company;

(8) other functions and powers conferred by the Articles of Association or the Board.

The general manager and co-presidents shall attend Board meetings.

The Deputy General Manager shall be nominated by the General Manager and Co-Presidents and appointed or dismissed by the Board of Directors. The deputy general manager assists the general manager and co-president, is responsible for the relevant work entrusted by the general manager and co-president, and issues relevant business documents within the scope of his responsibilities. When the general manager or co-president is unable to perform his or her duties, the deputy general manager may be entrusted by the general manager or co-president to act on his or her behalf.

The Company has a Board secretary, who is responsible for the preparation of the Company's Shareholders General Meetings and Board meetings, document storage, and management of the Company's Shareholder information.

The secretary to the Board of the Company shall comply with the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles.

Senior management personnel who violate laws, administrative regulations, departmental rules or the Articles in the performance of their duties, resulting in damage to the Company, shall be liable to indemnify the Company for such damage.

If a senior management causes losses to others in performing his/her duties, the Company shall be liable for compensation; the senior management shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

The controlling shareholder or de facto controller of the company who instructs senior management to engage in conduct that harms the interests of the company or shareholders shall be jointly and severally liable with the senior management for such conduct.

Senior managers should faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. Senior management personnel who fail to faithfully perform their duties or violate their duty of good faith, causing damage to the interests of the Company and public shareholders, shall be liable for compensation according to the laws.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, the provisions stipulated by the relevant state departments, and the requirements of the Hong Kong Listing Rules.

The Company's fiscal year is the calendar year, from January 1 to December 31. The Company shall prepare an annual financial and accounting report within four (4) months of the end of each fiscal year in accordance with relevant laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the requirements of the relevant regulatory authorities.

The Company will not maintain separate accounting books other than the statutory accounting books. The Company's funds shall not be deposited in any account opened under the name of an individual.

The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the accumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

When the Company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up for the losses before any allocation is set aside for the statutory common reserve fund.

After the Company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its profits after taxation to the discretionary common reserve fund.

After making up its losses and allocated to its reserve funds, the balance of the profits after tax shall be allocated to the Shareholders in proportion to their Shareholdings.

If the general meeting of our Shareholders, in violation of the requirements of the Listing Rules, distributes profits to the Shareholders before the Company makes up its losses and makes allocations to the statutory common reserve fund, the Shareholders must return the profits distributed in violation of the requirements to the Company.

The shares held by the Company shall not be entitled to any profit distribution.

The Company's reserve funds shall be used to make up the losses or expand the production operations, or be converted to increase the share capital of the Company.

When utilising reserve funds to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund should be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with regulations.

When the statutory common reserve fund is converted into capital, the retained balance of such reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

After the profit distribution plan is resolved at the General Meeting of the Company, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the General Meeting. The Company may distribute dividends in the form of cash or shares.

After the Company pays income tax and makes up for losses from the previous year, the profits are allocated in the following order:

(1) Withdrawal of statutory common reserve fund;

(2) Withdrawal of discretionary reserves upon resolution of the shareholders' meeting.

(3) Pay dividends to shareholders as resolved at the shareholders' meeting.

The Company shall appoint a receiving agent for the holders of overseas listed foreign shares. The receiving agent shall receive on behalf of the relevant shareholders any dividends or other amounts payable by the Company in respect of the overseas listed foreign shares, and shall keep such amounts on behalf of such shareholders until payment to such holders.

The receiving agent appointed by the Company shall satisfy the requirements of the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved for the following reasons:

(1) the expiration as stipulated in the Articles or the occurrence of other events of dissolution as stipulated in the Articles;

(2) dissolution resolved by the Shareholders' general meeting;

(3) dissolution is necessary due to a merger or demerger of the Company;

(4) the business license of the Company is revoked, or the Company is ordered to close down or be revoked in accordance with the law;

(5) the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be solved in other ways, the shareholders holding 10% or more of total voting rights of the Company may request the people's court to dissolve the Company.

If the Company has the events of dissolution specified in the preceding paragraph, it shall, within 10 days, publicize the events of dissolution through the National Enterprise Credit Information Publicity System.

In the event of clauses (1) or (2) above, and the Company has not yet allocated assets to the Shareholders, it may continue to exist by amending the Articles or upon resolutions of the general meeting.

Amendments to the Articles in accordance with the preceding paragraph shall be adopted by a vote of more than two-thirds of the voting Shares held by all Shareholders.

Where the Company is dissolved pursuant to items (1), (2), (4) or (5) above, it shall establish a liquidation committee for liquidation within 15 days after the events of dissolution arise. The liquidation committee shall be composed of directors or any other persons determined by a general meeting of our Shareholders. If a liquidation committee is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people's court for setting up a liquidation committee with designated relevant personnel to conduct the liquidation.

During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(1) to clean up the assets of the Company and prepare a balance sheet and an inventory of assets separately;

(2) to inform creditors by notice or public announcement;

(3) to deal with the outstanding liquidation-related business of the Company;

(4) to pay outstanding taxes as well as taxes arising in the course of the liquidation;

(5) to settle creditors' rights and debts;

(6) to allocate the Company's remaining assets after the repayment of debts;

(7) to represent the Company in any civil proceedings.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and issue a public announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their rights to the liquidation committee within 30 days from receipt of the notification or within 45 days from the date of the public announcement if they do not receive the notification.

Creditors, when filing their claims, should state those claim-related issues and provide supporting documentation thereon. The liquidation group should register such claims.

The liquidation committee shall not settle the debts to creditors during the creditors' claim period.

After the liquidation committee has liquidated the assets of the Company and has compiled a balance sheets and an inventory of assets, it shall formulate a liquidation plan and submit it to the general meeting of our Shareholders or the people's court for confirmation.

After the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes, and the debts owed by the Company, the remaining assets of the Company shall be distributed to the shareholders in proportion to their shareholding.

During the liquidation period, the Company subsists but may not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to the Shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Upon liquidation of the Company's property and preparation of the required balance sheets and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a bankruptcy liquidation in accordance with the laws.

After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation group shall prepare a liquidation report and submit it to the general meeting of our Shareholders or a people's court for confirmation, and submit it to the company registration authorities to apply for the cancellation of registration of the Company.

Members of the liquidation group shall perform liquidation duties and bear the duties of loyalty and diligence.

If members of the liquidation group are reluctant in performing their liquidation duties and cause losses to the company, they shall be liable for compensation. Members of the liquidation group are liable to indemnify the company and its creditors in respect of any loss arising from their willful or gross negligence.

Liquidation of a company declared bankrupt according to law shall be processed in accordance with the laws on corporate bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(1) Following the amendment to the Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles contradict the provisions of the amended laws or administrative;

(2) There is any change to the Company's particulars which results in inconsistency with the matters set out in the Articles;

(3) The general meeting of our Shareholders decides to amend the Articles of Association.

If the amendment to the Articles of Association adopted by a resolution of the shareholders' general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made in accordance with the law.

The Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on the amendments to the Articles of Association and the approval of the relevant competent authorities.

The amendment to these Articles constitutes the information required to be disclosed by the laws and regulations and shall be announced in accordance with regulations.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on January 24, 2005 and was converted into a joint stock company with limited liability on March 28, 2016 under the laws of the PRC. As of May 23, 2025, the registered share capital of our Company was RMB59,048,614 divided into 59,048,614 Unlisted Shares with a nominal value of RMB1.00 each.

Our Company has established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on May 8, 2025. Ms. Au Wing Sze (區詠詩), our joint company secretary, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in Share Capital of Our Company

On January 24, 2005, our Company was established as a limited liability company with a registered capital of RMB1,000,000. On March 28, 2016, our Company was converted into a joint stock company with limited liability, and our registered capital was RMB20,336,000 divided into 20,336,000 Shares with a nominal value of RMB1.00 each. As of the date of this document, our registered capital was RMB59,048,614 divided into 59,048,614 Unlisted Shares with a nominal value of RMB1.00 each.

Upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our issued share capital will increase to RMB**[REDACTED]**, made up of 24,582,400 Unlisted Shares and **[REDACTED]** H Shares fully paid up or credited as fully paid up, representing approximately **[REDACTED]**% and **[REDACTED]**% of our issued share capital, respectively.

Save as disclosed in "History, Development and Corporate Structure" in this document, there has been no alteration in our share capital within two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries as of the Latest Practicable Date are set out in note 1 to the Accountants' Report.

The following sets out the changes in the registered capital of members of our Group within the two years immediately preceding the date of this document:

Glotope

In December 2024, Glotope passed a shareholders' resolutions for the increase of registered capital from RMB113,970,586 to RMB135,340,071 contributed by our Company and Jiangsu Jiequan.

Glotope Mianyang

On March 27, 2024, Glotope Mianyang passed a shareholders' resolutions for the increase of registered capital from RMB50 million to RMB60 million contributed by Glotope.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

4. Resolutions of the Shareholders

Pursuant to a general meeting of our Company held on April 27, 2025, the following resolutions, among others, were passed by our Shareholders:

(a) the issue by our Company of H Shares of a nominal value of RMB1.00 each and that such H Shares be **[REDACTED]** on the Hong Kong Stock Exchange;

(b) that the number of H Shares to be issued shall not be more than **[REDACTED]**% of the total issued share capital of our Company as enlarged by the **[REDACTED]** (before the exercise of the **[REDACTED]**), and the grant to the **[REDACTED]** (or their representatives) of the **[REDACTED]** of not more than **[REDACTED]**% of the number of H Shares issued pursuant to the **[REDACTED]**;

(c) subject to the completion of the **[REDACTED]**, the adoption of the Articles of Association which shall become effective on the **[REDACTED]**, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board to handle all relevant matters relating to, among other things, the issue and **[REDACTED]** of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contracts

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) the **[REDACTED]**.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks in the PRC, which we consider to be material to our business:

No.	Trademark	Owner	Registration No.	Class	Validity Period
1	Glotope	Glotope	73610098	5	2024.03.07-2034.03.06
2	Glotope	Glotope	73598638	9	2024.03.07-2034.03.06
3	Glotope	Glotope	73603402	10	2024.03.07-2034.03.06
4	Glotope	Glotope	73589054	35	2024.03.07-2034.03.06
5	Glotope	Glotope	73608627	42	2024.03.07-2034.03.06
6		Glotope	74102636	5	2024.03.14-2034.03.13
7		Glotope	74116881	9	2024.03.14-2034.03.13
8		Glotope	74111960	10	2024.03.14-2034.03.13
9		Glotope	74121246	35	2024.03.14-2034.03.13
10		Glotope	74118063	42	2024.03.14-2034.03.13
11	先通	Our Company	19777950	5	2017.06.21-2027.06.20
12	先通	Our Company	65523881	5	2023.03.07-2033.03.06
13	先通	Our Company	65541888	10	2022.12.21-2032.12.20
14	先通	Our Company	65539808	9	2023.10.28-2033.10.27
15	先通	Our Company	65532836	42	2023.10.28-2033.10.27
16	Sinotau	Our Company	19777865	5	2018.02.28-2028.02.27
17		Our Company	19779737	5	2017.06.14-2027.06.13
18	欧韦达	Our Company	64361853	5	2022.10.21-2032.10.20
19	欧严宁	Our Company	64331858	5	2022.10.21-2032.10.20
20	欧维宁	Our Company	64365366	5	2022.12.28-2032.12.27

No.	Trademark	Owner	Registration No.	Class	Validity Period
21	欧益宁	Our Company	64363274	5	2022.10.21-2032.10.20
22	欧达乐	Our Company	64361844	5	2022.10.21-2032.10.20
23	欧达乐	Our Company	66277232	5	2023.01.14-2033.01.13
24	欧韦宁	Our Company	64353793	5	2022.10.21-2032.10.20
25	欧韦宁	Our Company	72525660	5	2023.12.21-2033.12.20
26		Our Company	74044963	5	2024.03.14-2034.03.13
27	先耐舒	Our Company	74849083	5	2024.04.14-2034.04.13
28	先耐平	Our Company	74873733	5	2024.05.07-2034.05.06

Patents

As of the Latest Practicable Date, we have registered the following patents in the PRC, which we consider to be material to our business:

No.	Owner	Type	Patent	Patent No.	Validity Period
1	Our Company	Invention	A new process for modifying fatty acid-based PET reagent precursors (一種修飾脂肪酸型PET試劑前體的新工藝路線)	ZL201710250117.9	2017.04.17-2037.04.16
2	Our Company	Invention	A pyridazinone compound containing PEGylated benzyltriazole and its preparation method and application (一種含PEG化苄基三唑基的噠秦酮類化合物及其制備方法和應用)	ZL201310052718.0	2013.02.18-2033.02.17
3	Our Company	Invention	Compound I liquid composition, preparation method and use thereof (化合物I液體組合物、制備方法及其用途)	ZL202210778537.5	2022.07.04-2042.07.03

No.	Owner	Type	Patent	Patent No.	Validity Period
4	Our Company	Invention	Preparation method of liquid composition containing compound I and use thereof in myocardial perfusion PET imaging (含化合物I的液體組合物的制備方法、及在心肌灌注PET顯像中的用途)	ZL202210778192.3	2022.07.04-2042.07.03
5	Our Company	Invention	A preparation method of a liquid composition of compound I and its use in myocardial metabolism PET imaging (一種化合物 I 液體組合物的制備方法、及其在心肌代謝PET顯像上的用途)	ZL202210717190.3	2022.06.23-2042.06.22
6	Our Company	Invention	Liquid composition containing compound I, preparation method and use (包含化合物 I 的液體組合物、制備方法及用途)	ZL202210717201.8	2022.06.23-2042.06.22
7	Our Company	Invention	Radiopharmaceutical packaging system and packaging method, and uses thereof (放射性藥物的分裝系統及分裝方法、及其用途)	ZL202210647522.5	2022.06.09-2042.06.08
8	Our Company	Invention	Radioactive particle packaging device and packaging method, and uses thereof (放射性顆粒的分裝裝置及分裝方法、及其用途)	ZL202210647004.3	2022.06.09-2042.06.08
9	Our Company	Invention	Purification method and use of PSMA inhibitors (PSMA抑制劑的純化方法及其用途)	ZL202310188910.6	2023.03.02-2043.03.01

No.	Owner	Type	Patent	Patent No.	Validity Period
10	Our Company	Invention	A transfer device and method for transferring radioactive drug solution and use thereof (一種轉移放射性藥物溶液的轉移裝置、轉移方法及其用途)	ZL202210453125.4	2022.04.24-2042.04.23
11	Our Company and INPC	Invention	Radioactive liquid extraction device and extraction method, and use thereof (放射性液體的提取設備及提取方法、及其用途)	ZL202210507395.9	2022.05.11-2042.05.10
12	Our Company and INPC	Invention	Radioactive liquid extraction device and extraction method, and use thereof (放射性液體的提取設備及提取方法、及其用途)	ZL202210507419.0	2022.05.11-2042.05.10
13	Our Company	Invention	An online filter membrane integrity testing device and method, and uses thereof (一種在線濾膜完整性測試裝置及方法、及其用途)	ZL202210649808.7	2022.06.10-2042.06.09
14	Our Company	Invention	On-line filter membrane integrity testing device and method, and use thereof (在線濾膜完整性測試裝置及方法、及其用途)	ZL202210649809.1	2017.04.17-2037.04.16

Copyrights

As of the Latest Practicable Date, we did not have copyrights which we consider to be material to our business.

Domain Names

As of the Latest Practicable Date, we have registered the following domain names in the PRC, which we consider to be material to our business:

No.	Registered Owner	Domain Name	Registration Date	Expiry Date
1.	Our Company	sinotau.com	September 5, 2014	September 5, 2026
2.	Glotope	glotope.com	July 26, 2023	July 26, 2026

Save as disclosed above, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right which was material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following completion of the **[REDACTED]** (without taking into account the H Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**), so far as our Directors are aware, none of our Directors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Our Company

Name	Position	Nature of interest	Class and Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[1]
Mr. Xu[2]	Executive Director, chairperson of the Board and general manager	Beneficial owner; Interests in controlled corporations; interest held jointly with another person	7,981,334 Unlisted Shares	[REDACTED]%	[REDACTED]%
			7,981,339 H Shares	[REDACTED]%	
Ms. Tang[2]	Executive Director and co-chief executive officer	Beneficial owner; interest held jointly with another person	7,981,334 Unlisted Shares	[REDACTED]%	[REDACTED]%
			7,981,339 H Shares	[REDACTED]%	
Mr. Chu[2]	Executive Director and vice president	Beneficial owner; interest held jointly with another person	7,981,334 Unlisted Shares	[REDACTED]%	[REDACTED]%
			7,981,339 H Shares	[REDACTED]%	
Mr. Wang[2]	Executive Director and co-chief executive officer	Beneficial owner; interest held jointly with another person	7,981,334 Unlisted Shares	[REDACTED]%	[REDACTED]%
			7,981,339 H Shares	[REDACTED]%	
ZHANG Yingjie (張英傑) ("**Dr. Zhang**")[2]	Non-executive Director	Beneficial owner; interests in controlled corporations	1,137,813 Unlisted Shares	[REDACTED]%	[REDACTED]%
			3,320,301 H Shares	[REDACTED]%	

Notes:

(1) The calculation is based on the total number of 24,582,400 Unlisted Shares in issue and **[REDACTED]** H Shares in issue upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) For details of interests of Mr. Xu, Ms. Tang, Mr. Chu, Mr. Wang and Dr. Zhang, see "Substantial Shareholders".

2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the **[REDACTED]**, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders" in this document.

Save as set out below, our Directors are not aware of any other person (other than our Directors or chief executive) who will, immediately following completion of the **[REDACTED]**, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company.

Our Subsidiary	Total Registered capital	Person with 10% or more interest	Approximate percentage of the interest in the subsidiary
	(RMB)		*(%)*
Glotope Advanced Pharmaceutical Technology Ltd (國通(成都)新藥技術股份有限公司)	135,340,071	Guotou (Guangdong) Technology Achievement Transformation and Entrepreneurship Investment Fund Partnership Enterprise (Limited Partnership) (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥))	21.73

3. Service Contracts

Each of our Directors [has] entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term commencing on the date of the approval at the Company's general meeting and ending on the expiration of the term of office of the prevailing session of the Board (with respect to Directors) or a term commencing on the date of the approval at the Company's general meeting or the date of the employees' representative assembly (as the case may be); and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management" in this **[REDACTED]** and note 8 to the Accountant's Report in Appendix I to this **[REDACTED]**, for the financial years ended December 31, 2023 and 2024, none of our Directors received other remunerations of benefits in kind from us.

5. Cancellation of Supervisors

The Board shall establish an Audit Committee, which shall exercise the powers and duties of the supervisory committee as stipulated in the PRC Company Law and our Company will have no supervisors upon the **[REDACTED]**.

6. Disclaimers

(a) Save as disclosed in this section and the section headed "History, Development and Corporate Structure" in this document, none of our Directors and the parties listed in the paragraph headed "– Other Information – 5. Qualifications of Experts" in this Appendix is:

(i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business.

(b) Save in connection with the **[REDACTED]** and the **[REDACTED]**, none of the parties listed in the paragraph headed "– Other Information – 5. Qualifications of Experts" in this Appendix:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.

(c) Save as disclosed in this section and the section headed "Directors and Senior Management" in this document, none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are **[REDACTED]** on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

(d) So far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued Shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]** in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into **[REDACTED]**.

At least one of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules, see the section headed "**[REDACTED]** – Independence of the Joint Sponsors" for details. Each of the Joint Sponsors will receive a fee of US$400,000 to act as a sponsor to our Company in connection with the **[REDACTED]**.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this **[REDACTED]** are as follows:

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Zhong Lun Law Firm	Company's PRC legal adviser
Hogan Lovells	International Sanctions Legal Advisors
China Insights Industry Consultancy Limited	Independent industry consultant

6. Consents

Each of the experts as referred to in the paragraph headed "– Other Information – 5. Qualifications of Experts" in this Appendix has given and has not withdrawn its respective written consents to the issue of this document with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, see Appendix III to this **[REDACTED]**.

(2) Consultation with professional advisers

Potential investors in the **[REDACTED]** are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or **[REDACTED]** in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, **[REDACTED]**, or any other person or party involved in the **[REDACTED]** accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in the financial or trading position of our Company since December 31, 2024 (being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report).

9. Promoters

The promoters of our Company are all then 13 shareholders of our Company as of March 28, 2016 before our conversion into a joint stock company with limited liability. Save as disclosed in the section headed "History, Development and Corporate Structure" in this document, within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the **[REDACTED]** and the related transactions described in this document.

10. Restrictions on Repurchase

For details, see Appendices IV and V to this document.

11. Binding Effect

This **[REDACTED]** shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual Document

The English and Chinese language versions of this **[REDACTED]** are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this **[REDACTED]**:

(a) within the two years preceding the date of this **[REDACTED]**, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the **[REDACTED]** or **[REDACTED]** of any shares of our Company;

(b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) our Company is not presently **[REDACTED]** on any stock exchange or **[REDACTED]** on any trading system; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) copies of each of the material contracts referred to in the paragraph headed "Further Information about the Business of Our Company – 1. Summary of Material Contracts" in Appendix VI to this document; and

(ii) the written consents referred to in the paragraph headed "Other Information – 6. Consents" in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.sinotau.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountant's Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the each of the financial years ended December 31, 2023 and 2024;

(d) the report from Ernst & Young on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the industry report issued by China Insights Industry Consultancy Limited referred to in the section headed "Industry Overview" in this document;

(f) the PRC legal opinion issued by Zhong Lun Law Firm, our legal adviser as to PRC laws, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(g) the legal memorandum issued by Hogan Lovells, our International Sanctions Legal Advisors, in respect of, among other things, the risk of exposure and potential penalties imposed under the International Sanctions laws and regulations;

(h) the material contracts referred to in the paragraph headed "Further Information about the Business of Our Company – 1. Summary of Material Contracts" in Appendix VI to this document;

(i) the service contracts referred to in the paragraph headed "Further Information about Our Directors and Substantial Shareholders – 3. Service Contracts" in Appendix VI to this document;

(j) the written consents referred to in the paragraph headed "Other Information – 6. Consents" in Appendix VI to this document; and

(k) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by the CSRC together with unofficial English translations thereof.