You should read the following discussion and analysis in conjunction with our audited consolidated financial information, included in the Accountants' Report in Appendix I to this document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis 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. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

OVERVIEW

We are a clinical-stage biotechnology company dedicated to the discovery, development, and commercialization of theranostic radiopharmaceuticals in oncology. We aim to improve cancer care by enabling precise diagnosis and effective treatment across a broad spectrum of tumors, including, among others, prostate cancer, gastric cancer, glioma, neuroendocrine tumors, lung cancer, and thyroid cancer.

We currently have no products approved for commercial sales and have not generated any revenue from product sales. We have not been profitable and have incurred operating losses during the Track Record Period. In 2024 and 2025, we had losses for the year of RMB118.8 million and RMB152.9 million, respectively. Substantially all of our operating losses resulted from research and development costs.

We expect to incur significant amount of expenses and operating losses for at least the next several years as we continue to advance the preclinical research and clinical development of our drug candidates, to prepare for the commercial launch of our future approved drugs, as well as to recruit more talents necessary to operate our business. Subsequent to the [**REDACTED**], we expect to incur costs associated with operating as a public company. We expect that our financial performance will fluctuate from period to period due to the development status and commercialization of our pipeline products.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). For the purpose of preparing the historical financial information throughout the Track Record Period, we have consistently adopted all applicable IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each year comprising the Track Record Period.

KEY 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 may be beyond our control. A discussion of the key factors is set out below.

Our Ability to Successfully Develop and Commercialize Our Drug Candidates

Our business and results of operations depend on our ability to successfully advance our drug development programs, demonstrate favorable safety and efficacy clinical trial results, obtain the requisite regulatory approvals, secure adequate manufacturing capacity, and commercialize our products in targeted markets as planned. As of the Latest Practicable Date, we have assembled a pipeline of 13 drug candidates, including seven diagnostic radiopharmaceuticals and six therapeutic radiopharmaceuticals. See "Business — Our Drug Candidates" for more information on the development status of our drug candidates.

The time required to obtain marketing approvals from the NMPA, FDA, or other comparable regulatory authorities is unpredictable, but it typically takes several years following the commencement of clinical trials. Any delays in the regulatory approvals for any of our drug candidates in major markets will correspondingly delay our ability to generate revenue from those drug candidates in those markets and adversely affect our results of operations.

Upon commercialization of our drug candidates, our business and results of operations will be driven by the market acceptance, sales of our drug products, as well as our manufacturing capabilities to meet growing demands. The successful commercialization may also require significant marketing efforts and inputs before we are able to generate any revenue from product sales. If we fail to achieve the degree of market acceptance, we may not be able to generate revenue as expected. See "Risk Factors — Risks related to the Manufacturing and Commercialization of Our Drug Candidates" for more details of the risks in relation to commercialization of our drug candidates.

Our Ability to Effectively Control Our Costs and Expenses

Our ability to manage and control our costs and expenses is critical to the success of our business. Our operating expenses primarily include research and development costs. Research and development costs have been, and are expected to continue to be, a major component in our cost structure. We have invested a significant portion of our efforts and financial resources in the development of our drug candidates. During the Track Record Period, our research and development costs consisted of (i) clinical and preclinical expenses, (ii) staff costs, (iii) cost of materials, (iv) depreciation and amortization expenses, and (v) other expenses, mainly including consulting service fees, testing and analysis fees, travel and transportation expenses, and expenses incurred for the application and maintenance of intellectual property rights. In 2024 and 2025, our research and development costs amounted to RMB114.7 million and RMB125.9 million, respectively. We anticipate that our research and development costs will continue to increase in the foreseeable future as we advance the clinical development of our drug candidates to maximize their clinical and commercial potential, as well as to explore additional therapeutic indications.

We expect our cost structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our drug candidates continue to progress and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to research and development, manufacturing, and sales and marketing efforts, among other things. Additionally, we anticipate increasing legal, compliance, accounting, insurance, and [**REDACTED**] and public relations expenses associated with being a [**REDACTED**] company in Hong Kong.

Development of the Global and China's Radiopharmaceutical Industry

Our business expansion and results of operations have been, and will continue to be, affected by the development of the radiopharmaceutical industry in China and globally.

The radiotheranostic approach has garnered growing interest alongside advancements in molecular imaging and personalized medicine. This approach enhances disease management by tailoring treatment strategies, improving patient selection, predicting responses and potential toxicity, and determining prognosis. The global and China's radiopharmaceutical industry has witnessed rapid growth in recent years. The global radiopharmaceutical market was valued at US$9.3 billion in 2025 and is expected to reach US$26.5 billion by 2030, representing a CAGR of 23.3% over the period. From 2030 to 2035, the market is expected to expand further to US$55.5 billion, registering a CAGR of 15.9%. In China, the radiopharmaceutical market was valued at RMB5.0 billion in 2025 and is projected to grow to RMB20.4 billion by 2030, representing a CAGR of 32.4% over the same period. The market is projected to further reach RMB57.5 billion by 2035, growing at a CAGR of 23.0% between 2030 and 2035. The robust growth of China's radiopharmaceutical industry is driven by a multitude of favorable factors and market trends including, without limitation, expansion of market demand, local innovation and technological breakthroughs, and integration of diagnosis and treatment. See "Industry Overview" for more details. Our success depends on our ability to accurately identify and anticipate these trends, as well as to adapt our business to the evolving market environment.

As a key player in China's nuclear medicine industry, we believe that we are well-positioned to benefit from the general market growth and boast the competitive strengths, resources and expertise to capitalize on the evolving market dynamics. However, the continued growth of the radiopharmaceutical industry and our ability to benefit from market growth are subject to a number of risks and uncertainties. See "Risk Factors — Risks Related to Doing Business in the Jurisdictions Where We Operate" for details.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing. We expect to fund our future operations primarily with existing cash and cash equivalents and [**REDACTED**] from the [**REDACTED**]. Upon the successful commercialization of one or more of our drug candidates, we expect to further complement the funding for our operations with revenue generated from sales of our commercialized drugs. However, with the continuing expansion of our business and product pipeline, we may require further funding through public or private [**REDACTED**], or other sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

We set forth below those accounting policies that we believe are material to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our material accounting policies and significant accounting judgements and estimates, which are important for an understanding of our financial position and results of operations, are set forth in detail in Notes 2.3 and 3 to the Accountants' Report set out in Appendix I to this document.

Material Accounting Policies

Research and Development Costs

Development costs 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, 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. Development costs which do not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortized using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

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 the end of each year comprising the Track Record Period.

Intangible assets are amortized on the straight-line basis over the following useful economic life, which is determined by the expected usage period after considering technical obsolescence and estimates of useful lives of similar assets:

Software	10 years
Patent	20 years

Share-based Payments

We operate two share option schemes. Employees (including directors) of our 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 by an external valuer using a binomial model, further details of which are given in Note 23 to the Accountants' Report set out in Appendix I to this document.

Significant Accounting Judgements and Estimates

The preparation of our 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.

Critical Accounting Judgements in Applying Accounting Policies

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. Our management will assess the progress of each of the research and development projects and determine the criteria met for capitalization. As of December 31, 2024 and 2025, the carrying amount of capitalized development costs was RMB134.7 million and RMB197.7 million, respectively.

Key Sources of Estimation Uncertainty

Accrual of research and development costs

We rely on contract research organizations, clinical site management operators and clinical trial centers (collectively referred to as "**Outsourced Service Providers**") to conduct, supervise, and monitor our ongoing clinical trials. Determining the amounts of research and development costs incurred up to the end of the year requires our management to estimate and measure the progress of receiving research and development services under the contracts with Outsourced Service Providers using inputs such as the number of patient enrollments, time elapsed and milestones achieved.

Useful lives and residual values of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, we have to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, the expected usage of the asset, the expected physical wear and tear, the care and maintenance of the asset and the legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on our experience with similar assets that are used in a similar way.

Additional depreciation is recognized if the estimated useful lives and/or the residual values of items of plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at the end of the Track Record Period based on changes in circumstances.

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 year comprising 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, our 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.

Fair value of share-based payment transactions

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, we use a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 23 to the Accountants' Report set out in Appendix I to this document.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth selected components of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	For the Year Ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Other income and gains	11,279	5,563
Research and development costs	(114,658)	(125,855)
Administrative expenses	(15,435)	(31,741)
Finance costs	–	(849)
Loss before tax	**(118,814)**	**(152,882)**
Income tax expense	–	–
Loss for the year	**(118,814)**	**(152,882)**
Other comprehensive loss that may be reclassified to profit or loss in subsequent period		
Exchange difference on translation of a foreign operation	(232)	(133)
Other comprehensive loss for the year, net of tax	**(232)**	**(133)**
Total comprehensive loss for the year	**(119,046)**	**(153,015)**

Other Income and Gains

During the Track Record Period, our other income and gains consisted of (i) bank interest income, (ii) government grants, (iii) investment income on financial assets at FVPL, and (iv) net foreign exchange gains. Bank interest income represents interest on our bank deposits. Government grants refer to a variety of subsidies granted by the PRC local government authorities in support of our research and development activities, which had no unfilled conditions. Investment income on financial assets at FVPL represents our investment income in relation to certain wealth management products. Net foreign exchange gains represent the net exchange gains resulting from the translation of our cash balance denominated in SGD exchange rates against RMB.

The following table summarizes a breakdown of our other income and gains for the years indicated:

	For the Year Ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Other income		
Government grants	9,806	4,441
Bank interest income	1,203	866
Others	8	13
Total other income	**11,017**	**5,320**
Gains		
Investment income on financial assets at FVTPL	203	52
Foreign exchange gains, net	59	191
Total gains	**262**	**243**
Total other income and gains	**11,279**	**5,563**

Research and Development Costs

During the Track Record Period, our research and development costs consisted of (i) clinical and preclinical expenses, (ii) staff costs, (iii) cost of materials, (iv) depreciation and amortization expenses, and (v) other expenses, mainly including consulting service fees, testing and analysis fees, travel and transportation expenses, and expenses incurred for the application and maintenance of intellectual property rights. The research and development costs represent our development expenses in the research phase only and does not include the capitalized development costs in progress.

The following table sets forth a breakdown of our research and development costs in absolute amounts and as percentages of the total research and development costs for the years indicated:

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(in thousands, except for percentages)			
Clinical and preclinical expenses	76,137	66.4	78,659	62.5
Staff costs	15,806	13.8	22,930	18.2
Cost of materials	8,405	7.3	9,383	7.5
Depreciation and amortization expenses	6,980	6.1	8,328	6.6
Others	7,330	6.4	6,555	5.2
Total	**114,658**	**100.0**	**125,855**	**100.0**

Our research and development costs (including our capitalized development costs in progress) attributable to our Core Products were RMB92.7 million and RMB81.9 million, representing approximately for 39.5% and 43.4% of the total research and development costs (including our capitalized development costs in progress) for the respective years.

The following table sets forth a breakdown of our research and development costs (including our capitalized development costs in progress) by products in absolute amounts and as percentages of the total research and development costs (including our capitalized development costs in progress) for the years indicated:

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(in thousands, except for percentages)			
^{18}F-LNC1001	48,555	20.7	32,852	17.4
^{18}F-LNC1005	7,593	3.2	18,740	9.9
^{177}Lu-LNC1011	18,647	7.9	19,308	10.2
^{18}F-LNC1007	17,882	7.6	10,995	5.8
Other drug candidates	141,989	60.6	106,917	56.7
Total	**234,666**	**100.0**	**188,812**	**100.0**

Our Directors are of the view that we have complied with paragraph 7 of Chapter 2.3 of the Guide for New Listing Applicants. During the Track Record Period and up to the Latest Practicable Date, we continuously conducted research and development activities relating to each of the Core Products, including clinical development, CMC activities and regulatory interactions, and achieved significant development milestones for such Core Products. While the amount of R&D expenditure incurred for individual product candidates varied from period to period, such variations primarily reflected differences in development stages, clinical trial activities, patient enrollment progress, and other project-specific activities. Accordingly, the level of R&D expenditure incurred for a particular product candidate in any given period is not necessarily indicative of its strategic importance within our pipeline. We believe that our Core Products remain our principal and most advanced product candidates, and that our R&D activities have been primarily directed toward advancing the development and commercialization of such Core Products.

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) staff costs, (ii) professional service fees, (iii) office, travel and business operation expenses, (iv) depreciation and amortization, and (v) other expenses, including utilities incurred for administrative purposes, and other miscellaneous expenses.

The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the years indicated:

	For the Year Ended December 31,			
	2024		**2025**	
	RMB	*%*	*RMB*	*%*
	(in thousands, except for percentages)			
Staff costs	5,245	34.0	13,020	41.0
Professional service fees	8,073	52.3	15,868	49.9
Office, travel and business operation expenses	750	4.9	1,065	3.4
Depreciation and amortization	267	1.7	494	1.6
Others	1,100	7.1	1,294	4.1
Total	**15,435**	**100.0**	**31,741**	**100.0**

Finance Costs

During the Track Record Period, our finance costs represented interest on lease liabilities and interest on related party loans. We recorded finance costs of nil and RMB0.8 million in 2024 and 2025, respectively.

Income Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate.

PRC

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Laws"), our Company operating in the PRC was subject to income tax at a rate of 25% on the taxable income during the Track Record Period. Under the CIT law, an additional 100% of qualified research and development costs incurred is allowed to be deducted from taxable income effective from October 1, 2022.

Singapore

Our Singapore subsidiary was subject to income tax at a rate of 17% on the taxable income during the Track Record Period. Our Singapore subsidiary also enjoyed a 75% exemption on the first SGD10,000 of taxable income and a 50% exemption on the next SGD190,000 of taxable income.

We did not record any income tax expense during the Track Record Period due to our loss before taxation. Our Directors confirm that during the Track Record Period, we had made all the required tax filings and had paid all 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.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2025 Compared to Year ended December 31, 2024

Other Income and Gains

Our other income and gains decreased from RMB11.3 million in 2024 to RMB5.6 million in 2025, mainly due to a decrease of RMB5.4 million in government grants. Our government grants primarily consist of subsidies from local PRC authorities in support of our research and development activities, and the amounts we receive fluctuate depending on changes in the relevant government subsidy policies.

Research and Development Costs

Our research and development costs increased by 9.8% from RMB114.7 million in 2024 to RMB125.9 million in 2025, mainly due to an increase of RMB7.1 million in staff costs in relation to the expansion of our in-house research and development team.

Administrative Expenses

Our administrative expenses increased significantly from RMB15.4 million in 2024 to RMB31.7 million in 2025, mainly due to (i) an increase of RMB7.8 million in staff costs resulting from team expansion, and (ii) an increase of RMB7.8 million in our professional service fees primarily in connection with our proposed [**REDACTED**] and our recruiting fees.

Finance Costs

We recorded finance costs of nil in 2024, while we recorded finance costs of RMB0.8 million in 2025, primarily attributable to interest on lease liabilities recognized under our lease agreement.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 28.7% from RMB118.8 million in 2024 to RMB152.9 million in 2025.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
ASSETS		
Non-current assets		
Property, plant and equipment	104,507	147,304
Other intangible assets	137,751	200,538
Right-of-use assets	–	14,574
Prepayments to related parties	2,371	–
Prepayments, other receivables and other assets	34,337	46,538
Total non-current assets	**278,966**	**408,954**
Current assets		
Prepayments, other receivables and other assets	2,647	6,874
Prepayments to related parties	42	264
Cash and cash equivalents	42,540	256,542
Total current assets	**45,229**	**263,680**
LIABILITIES		
Current liabilities		
Trade and other payables	17,857	25,749
Amounts due to related parties	46,586	36,393
Lease liabilities	–	4,446
Deferred income	–	1,955
Total current liabilities	**64,443**	**68,543**
Net current assets/(liabilities)	**(19,214)**	**195,137**
Total assets less current liabilities	**259,752**	**604,091**
LIABILITIES		
Non-current liabilities		
Lease liabilities	–	12,596
Total non-current liabilities	**–**	**12,596**
Net assets	**259,752**	**591,495**
Equity		
Share capital	84,582	99,401
Reserves	175,170	492,094
Total equity	**259,752**	**591,495**

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment consisted of (i) machinery and equipment, (ii) office furniture and electronic equipment, (iii) motor vehicles, (iv) buildings, (v) construction in progress, and (vi) lease improvements. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Property, plant and equipment		
Machinery and equipment	33,006	52,424
Office furniture and electronic equipment	1,431	1,223
Motor vehicles	318	244
Buildings	17,117	66,300
Construction in progress	22,867	396
Lease improvements	29,768	26,717
Total	**104,507**	**147,304**

Our property, plant and equipment increased from RMB104.5 million as of December 31, 2024 to RMB147.3 million as of December 31, 2025, primarily due to an increase of RMB49.2 million in buildings in connection with our manufacturing facilities.

Other Intangible Assets

During the Track Record Period, our other intangible assets consisted of (i) software, (ii) patent, and (iii) development cost in progress. The following table sets forth a breakdown of our other intangible assets as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Other intangible assets		
Software	363	341
Patent	2,685	2,537
Development costs in progress	134,703	197,660
Total	**137,751**	**200,538**

Our other intangible assets increased from RMB137.8 million as of December 31, 2024 to RMB200.5 million as of December 31, 2025, mainly due to increases in development costs in progress in connection with ^{18}F-LNC1001 and ^{18}F-LNC1016.

During the Track Record Period, we performed impairment testing for development costs in progress which were not yet available for use. For impairment testing, development costs in progress are allocated to the cash-generating units ("CGUs"), which are supposed to be able to generate cash flows independently from those of the other products. We engaged an independent qualified professional valuer, Shanghai PG Advisory Co., Ltd. ("PG"), to estimate the recoverable amounts of the CGUs at the end of each year comprising the Track Record Period. The appropriate CGUs are at the product level. The intangible assets during the Track Record Period represented development costs in progress for ^{18}F-LNC1001 and ^{18}F-LNC1016. The recoverable amounts of ^{18}F-LNC1001 and ^{18}F-LNC1016 were determined based upon its fair value less costs of disposal. The fair values were estimated using the market approach.

The estimated revenue of ^{18}F-LNC1001 and ^{18}F-LNC1016 is based on management's expectations of timing of commercialisation of ^{18}F-LNC1001 and ^{18}F-LNC1016. The management of the Company estimated that ^{18}F-LNC1001 and ^{18}F-LNC1016 will be able to generate revenue from 2027 and 2028, respectively, with a growing trend in its revenue. The pre-tax discount rates used, ranging from 18.32% to 19.59%, respectively reflect specific risks related to ^{18}F-LNC1001 and ^{18}F-LNC1016.

The management determined the recoverable amount of the above CGUs based on the key assumptions, and the carrying amounts of the two products during the Track Record Period are as follows:

	As of December 31,	
	2024	2025
	(RMB in thousands)	
^{18}F-LNC1001	63,249	96,101
^{18}F-LNC1016	71,454	101,559
Total	134,703	197,660

Below is a summary of key parameters to the valuation of intangible assets together with a quantitative sensitivity analysis and headroom at the end of each year comprising the Track Record Period:

(a) The average annual revenue growth rates

	As of December 31,	
	2024	2025
^{18}F-LNC1001	21%	21%
^{18}F-LNC1016	44%	44%

The average annual revenue growth rates for the forecast period were determined by the management based on their expectation for market and product development.

(b) The pre-tax discount rates

	As of December 31,	
	2024	2025
^{18}F-LNC1001	18.41%	19.59%
^{18}F-LNC1016	18.32%	19.35%

Details of the headroom measured by the excess of the recoverable amounts over the carrying amounts of the CGUs as at each year comprising the Track Record Period are set out as follows:

	As of December 31,	
	2024	2025
	(RMB in thousands)	
^{18}F-LNC1001	66,515	66,123
^{18}F-LNC1016	128,924	151,748
Total	195,439	217,871

(c) Sensitivity analysis

The following table sets out the impact of variations in each of the key assumptions. Had these estimated key assumptions been changed as below, the headroom would have increased/(decreased) as follows:

^{18}F-LNC1001

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Annual revenue growth increased by 5%	28,236	29,547
Annual revenue growth decreased by 5%	(28,236)	(29,547)
Pre-tax discount rate increased by 5%	(7,493)	(7,300)
Pre-tax discount rate decreased by 5%	8,002	7,771

^{18}F-LNC1016

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Annual revenue growth increased by 5%	83,314	94,870
Annual revenue growth decreased by 5%	(83,317)	(94,870)
Pre-tax discount rate increased by 5%	(12,258)	(12,378)
Pre-tax discount rate decreased by 5%	13,105	13,170

For the years ended 31 December 2024 and 2025, the management considered no reasonably possible change in the key assumptions mentioned above would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

Our management determined that there was no impairment of our CGUs as of December 31, 2024 and 2025. For more information related to the impairment testing for our development costs in progress, see Note 14 to the Accountants' Report set out in Appendix I to this document.

Prepayments to Related Parties

We recorded prepayments to related parties of trade nature during the Track Record Period. Our prepayments to related parties consisted of (i) prepayments for property, plant and equipment from Yantai Dongcheng Heju Pharmaceutical Technology Co., Ltd. ("Dongcheng Heju") (煙臺東誠核聚醫藥科技有限公司), and (ii) prepayments for research and development services, representing prepaid service fees to certain CROs which are our related parties, including MITRO Clinical Medical Research Limited ("MITRO Clinical") (南京米度臨床醫學研究有限公司), Nanning MITRO Pharmaceutical Technology Co., Ltd. ("Nanning MITRO") (南寧米度醫藥科技有限公司), and MITRO Biotech Co. Ltd. ("MITRO Biotech") (米度(南京)生物技術有限公司). The fluctuation in prepayments to related parties was in line with the changes in the volume of equipment and services we procured from such related parties. For details of our prepayments to related parties, see Note 26 to the Accountants' Report set out in Appendix I to this document.

The following table sets forth a breakdown of our prepayments to related parties by nature as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Prepayments to related parties (trade in nature)		
Non-current:		
Prepayment of property, plant and equipment – Dongcheng Heju	2,371	–
Current:		
Prepayments for research and development services – MITRO Clinical	42	264
Total	**2,413**	**264**

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets consisted of (i) value-added tax recoverable, (ii) prepayments for research and development services, representing prepaid service fees to CROs, CMOs, and other contract service providers, (iii) prepayments for property, plant and equipment, and (iv) other receivables, mainly including lease deposits and prepaid electricity bills.

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Prepayments, other receivables and other assets		
Non-current:		
Value-added tax recoverable	31,025	46,311
Prepayment of property, plant and equipment	3,312	37
Other receivables	–	190
Subtotal	34,337	46,538
Current:		
Prepayments for research and development services	798	1,482
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other receivables	403	403
Subtotal	2,647	6,874
Total	**36,984**	**53,412**

Our total prepayments, other receivables and other assets increased from RMB37.0 million as of December 31, 2024, and further to RMB53.4 million as of December 31, 2025, mainly due to increases in value-added tax recoverable, resulting from the continuous accumulation of deductible input VAT in line with the expansion of our research and development activities.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents represented cash and bank balances denominated in RMB and SGD, less our pledged deposits. We had cash and cash equivalents of RMB42.5 million and RMB256.5 million as of December 31, 2024 and 2025, respectively.

Trade and Other Payables

During the Track Record Period, our trade and other payables consisted of (i) trade payables in connection with our procurement of raw materials and engagement of CROs, CMOs, and other service providers, (ii) notes payable due to relevant suppliers for the construction of our laboratories and manufacturing facilities, (iii) accruals for research and development costs, mainly representing accrued or invoiced yet unpaid research and development service fees, (iv) payables for purchase of property, plant and equipment, (v) salary and bonus payables to our employees, (vi) other taxes payable, (vii) accrued [**REDACTED**] expense, (viii) deposit payables, representing deposits we received from participating bidders during the tender process for the construction of our laboratories and manufacturing facilities, and (ix) other payables in relation our daily business operations.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Trade and other payables		
Trade payables	3,237	3,538
Notes payable	1,399	2,896
Accruals for research and development costs	1,128	5,806
Payables for purchase of property, plant and equipment	6,073	6,059
Salary and bonus payables	3,503	5,167
Other taxes payable	290	780
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Deposit payables	380	40
Other payables	588	370
Total	**17,857**	**25,749**

Our trade and other payables increased from RMB17.9 million as of December 31, 2024 to RMB25.7 million as of December 31, 2025, primarily due to (i) an increase of RMB4.7 million in accruals for research and development costs, which was in line with the increase of research and development service fees for ^{18}F-LNC1005 and 255Ac-LNC1011; and (ii) an increase of RMB1.7 million in salary and bonus payables in relation to the increase in the number of our employees and the compensation level for our employees.

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,	
	2024	**2025**
	(RMB in thousands)	
Trade payables		
Within 3 months	2,842	3,460
3 months to 1 year	395	78
Total	**3,237**	**3,538**

Our credit terms on trade payables were in general 30 to 92 days. The following table sets forth our trade payables turnover days for the Track Record Period:

	For the Year Ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Average turnover days of trade payables[1]	7	10

Note:

(1) Average turnover days of trade payables for a year equals the arithmetic mean of the beginning and ending trade payables balances divided by the total purchases for that year and multiplied by 365 days.

As of April 30, 2026, RMB3.3 million, or 93.5%, of our trade payables as of December 31, 2025 had been subsequently settled.

Amounts Due to Related Parties

We recorded amounts due to related parties of trade and non-trade nature during the Track Record Period. Our amounts due to related parties of trade nature consisted of (i) trade payables in connection with our purchases of trial drugs and research and development services from Nanjing JYAMS, Qingdao AMS Pharmaceutical Co., Ltd. ("Qingdao AMS") (青島安迪科正電子技術有限公司), Dongcheng Biochem, Nanning MITRO, and MITRO Biotech, (ii) payables for property, plant and equipment to Dongcheng Heju, and (iii) other payables in connection with our purchases of management services and rental fees for leased workstations from Dongcheng Biochem, Yantai Dongcheng Dingrui Healthcare Industry Co., Ltd. ("Dongcheng Dingrui") (煙臺東誠鼎睿健康產業有限公司) and Beijing AMS Electronics Co., Ltd. ("Beijing AMS") (北京安迪科電子有限責任公司). Our amounts due to related parties of non-trade nature represented (i) other payables to Beijing AMS and Shanghai AMS Electronics Co., Ltd. ("Shanghai AMS") (上海安迪科正電子有限責任公司), and (ii) loans and interest payables, which were relating to our unsecured borrowings from Dongcheng International (Hong Kong) Limited ("Dongcheng HK") (東誠國際(香港)有限公司) at a principal amount of SGD1.0 million and with an effective interest rate of 1.0% per annum. Such loans and interest payables had been fully settled as of December 31, 2024. Our amounts due to related parties of non-trade nature as of December 31, 2025 had been settled in January and February 2026. For details of our amounts due to related parties, see Note 26 to the Accountants' Report set out in Appendix I to this document.

The following table sets forth a breakdown of our amounts due to related parties by nature as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Amounts due to related parties		
Trade in nature:		
Trade payables		
– Nanning MITRO	20,942	20,536
– JYAMS PET	5,290	7,941
– MITRO Biotech	1,589	1,126
– Qingdao AMS	15	–
– Dongcheng Biochem	15,408	1,389
Payables for property, plant and equipment		
– Dongcheng Heju	–	1,456
Other payables		
– Dongcheng Biochem	2,312	3,739
– Beijing AMS	196	–
Non-trade in nature:		
Other payables		
– Shanghai AMS	–	171
– Beijing AMS	834	35
Total	**46,586**	**36,393**

As of April 30, 2026, RMB18.7 million, or 51.5%, of our amounts due to related parties as of December 31, 2025 had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

Our primary use of cash during the Track Record Period was to fund our research and development activities and invest in fixed assets. We recorded net cash flows used in operating activities of RMB132.0 million and RMB143.3 million in 2024 and 2025, respectively. During the Track Record Period, we primarily funded our working capital requirements through equity financing. Our management closely monitors use of cash and cash equivalents and strives to maintain a healthy liquidity for our operations. Going forward, we expect our liquidity requirements will be satisfied by a combination of existing cash and cash equivalents, [**REDACTED**] from the [**REDACTED**], and revenue generated from sales of our successfully commercialized drugs. With the continuing expansion of our business, we may require further funding through public or private [**REDACTED**], or other sources.

Current Assets and Current Liabilities

The following tables sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of April 30,
	2024	2025	2026
	(RMB in thousands)		
Current Assets			
Prepayments, other receivables and other assets	2,647	6,874	11,648
Prepayments to related parties	42	264	399
Cash and cash equivalents	42,540	256,542	188,460
Total current assets	**45,229**	**263,680**	**200,507**
Current liabilities			
Trade and other payables	17,857	25,749	21,360
Amounts due to related parties	46,586	36,393	31,899
Lease liabilities	–	4,446	4,470
Deferred income	–	1,955	908
Total current liabilities	**64,443**	**68,543**	**58,637**
Net current assets/(liabilities)	**(19,214)**	**195,137**	**141,870**

Our net current assets decreased from RMB195.1 million as of December 31, 2025 to RMB141.9 million as of April 30, 2026, primarily attributable to a decrease in cash and cash equivalents.

We recorded net current liabilities of RMB19.2 million as of December 31, 2024, as compared to net current assets of RMB195.1 million as of December 31, 2025, primarily attributable to an increase in cash and cash equivalents.

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Net cash flows used in operating activities	(132,001)	(143,288)
Net cash flows used in investing activities	(179,659)	(93,913)
Net cash flows from financing activities	308,403	450,969
Net increase/(decrease) in cash and cash equivalents	(3,257)	213,768
Cash and cash equivalents at beginning of the year	45,875	42,540
Effect of foreign exchange rate changes, net	(78)	234
Cash and cash equivalents at end of the year	**42,540**	**256,542**

Net Cash Flows Used in Operating Activities

In 2025, our net cash flows used in operating activities were RMB143.3 million, which was primarily attributable to loss before tax of RMB152.9 million adjusted by certain non-cash and working capital items. Positive adjustments primarily included depreciation of property, plant and equipment of RMB10.0 million, increase in trade and other payables of RMB6.6 million, equity-settled share-based payments expenses of RMB2.8 million and increase in deferred income of RMB2.0 million. Negative adjustments primarily included a decrease in amounts due to related parties of RMB10.2 million and an increase in prepayments, other receivables and other assets of RMB4.1 million.

In 2024, our net cash flows used in operating activities were RMB132.0 million, which was primarily attributable to loss before tax of RMB118.8 million adjusted by certain non-cash and working capital items. Positive adjustments primarily included a decrease in prepayments to related parties of RMB8.4 million, depreciation of property, plant and equipment of RMB4.8 million and amortization of other intangible assets of RMB3.4 million. Negative adjustments primarily included an increase in prepayments, other receivables and other assets of RMB12.6 million and a decrease in amounts due to related parties of RMB26.2 million.

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In view of our net operating cash outflows throughout the Track Record Period, we plan to improve such position by:

- rapidly advancing our pipeline products towards commercialization to generate revenue from product sales.
- entering into collaboration and licensing agreements with major pharmaceutical companies for the co-development of our pipeline products, and activity pursuing business development opportunities at every stage of the development of our product candidates; and adopting comprehensive measures to effectively control our cost and operating expenses. For example, we plan to continue to regularly evaluate our existing and future arrangements and actively seek mutually beneficial strategic cooperations to control our research and development costs.

Net Cash Flows Used in Investing Activities

In 2025, our net cash flows used in investing activities were RMB93.9 million, primarily attributable to placement of financial assets at FVTPL of RMB70.0 million, and purchases of items of items of other intangible assets of RMB65.4 million.

In 2024, our net cash flows used in investing activities were RMB179.7 million, primarily attributable to purchases of items of other intangible assets of RMB101.8 million and purchases of items of property, plant and equipment of RMB78.1 million.

Net Cash Flows from Financing Activities

In 2025, our net cash flows from financing activities were RMB451.0 million, primarily attributable to capital contribution by shareholders of RMB463.7 million, partially offset by payment of issue cost of RMB8.7 million.

In 2024, our net cash flows from financing activities were RMB308.4 million, primarily attributable to capital contribution by shareholders of RMB309.6 million.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents of RMB188.5 million as of April 30, 2026 and the estimated [**REDACTED**] from the [**REDACTED**], and considering our cash burn rate, we have available sufficient working capital to cover at least 125% of our costs, including research and development costs, administrative expenses, and other operating costs, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities and capital expenditures. We had cash and cash equivalents of RMB188.5 million as of April 30, 2026. We estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million in the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the low end of the [**REDACTED**]. Assuming an average cash burn rate going forward of 1.3 times the level during the year ended December 31, 2025, we estimate that our cash and cash equivalents as of April 30, 2026 will be able to maintain our financial viability for [7] months, or, if we take into account the estimated [**REDACTED**] from the [**REDACTED**], [36] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing no earlier than six months after the completion of the [**REDACTED**].

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated:

	For the Year Ended December 31,	
	2024	**2025**
	(RMB in thousands)	
Costs relating to research and development of our Core Products		
Development costs in progress	17,587	41,736
Clinical and preclinical expenses	22,334	24,247
Staff costs	5,755	7,751
Cost of Materials	3,222	4,572
Others	1,661	1,418
Subtotal	**50,559**	**79,724**
Costs relating to research and development of our other drug candidates		
Development costs in progress	68,780	27,443
Clinical and preclinical expenses	94,033	37,893
Staff costs	10,564	21,111
Cost of Materials	5,944	12,744
Others	6,176	6,780
Subtotal	**185,497**	**105,971**
Total research and development costs	**236,056**	**185,695**
Other costs		
Professional service fees	5,742	25,101
Staff costs	2,226	8,236
Office and travel expenses	509	839
Others	1,540	1,715
Total other costs	**10,017**	**35,891**
Total cash operating costs	**246,073**	**221,586**

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of April 30,
	2024	2025	2026
		(RMB in thousands)	
Indebtedness Current:			
Lease liabilities	–	4,446	4,470
Non-current:			
Lease liabilities	–	12,596	12,832
Total	**–**	**17,042**	**17,302**

Lease Liabilities

Our lease liabilities primarily comprise leases of office premises and laboratory. We had lease liabilities of nil, RMB17.0 million and RMB17.3 million, as of December 31, 2024 and 2025 and April 30, 2026, respectively.

As of April 30, 2026, we did not have committed unutilized banking facilities.

Indebtedness Statement

Except as disclosed in the table above, 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 April 30, 2026. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or material breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that there have been no material changes in our indebtedness since April 30, 2026, being the latest practicable date for determining our indebtedness, up to the date of this document.

CAPITAL EXPENDITURES

During the Track Record Period, we incurred capital expenditures relating to purchases of items of property, plant and equipment and other intangible assets. In 2024 and 2025, we incurred capital expenditures of RMB179.9 million and RMB94.0 million, respectively. These purchases were primarily to our research and development and business operation. We plan to finance our future capital expenditures primarily with existing cash and cash equivalents, [**REDACTED**] from the [**REDACTED**], and revenue generated from sales of our successfully commercialized drugs. See "Future Plans and [**REDACTED**]" for more details. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

COMMITMENTS

Capital Commitments

As of December 31, 2024 and 2025, we had capital expenditures contracted for but not yet incurred relating to property, plant and equipment and other intangible assets, amounting to RMB131.3 million and RMB67.8 million, respectively. The following table sets forth our capital commitments as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB in thousands)	
Property, plant and equipment	21,273	22,780
Other intangible assets		
– Development costs in progress	110,047	45,063
Total	**131,320**	**67,843**

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We had not entered into any off-balance sheet transactions during the Track Record Period and as of the Latest Practicable Date.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain transactions with our related parties. For details, see Note 26 to the Accountants' Report set out in Appendix I to this document. Our Directors confirm that each of the significant related party transactions during the Track Record Period was 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 not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated:

	As of December 31,	
	2024	**2025**
Current ratio(1)	0.7	3.8

Note:

(1) Current ratio is calculated as current assets divided by current liabilities as of the dates indicated.

Our current ratio increased from 0.7 as of December 31, 2024 to 3.8 as of December 31, 2025, primarily due to an increase in our cash and cash equivalents.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measure are implemented on a timely and effective manner. For details, see Note 29 to the Accountants' Report set out in Appendix I to this document.

Foreign Currency Risk

We are exposed to transactional foreign currency risk, which arises from changes in exchanges rates of RMB against SGD. For details of the sensitivity analysis to changes in such foreign currency exchange rates, see Note 29 to the Accountants' Report set out in Appendix I to this document.

Credit Risk

The credit risk of our financial assets, which comprise cash and cash equivalents, time deposits over three months, pledged deposits, financial assets included in prepayments, other receivables and other assets, and financial assets at FVTPL, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. For more information related to maximum exposure and year-end staging of credit risk, see Note 29 to the Accountants' Report set out in Appendix I to this document.

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 further details and an analysis of the maturity profile of our financial liabilities at the end of each year comprising the Track Record Period, see Note 29 to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We did not have a formal dividend policy or pre-determined 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. [**REDACTED**] 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 Advisor, 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, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSE

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] million (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no H Shares are [**REDACTED**] pursuant to the [**REDACTED**]. The above [**REDACTED**] expenses are comprised of (i) [**REDACTED**]-related expenses of HK$[**REDACTED**] million, and (ii) [**REDACTED**] of HK$[**REDACTED**] million, including (a) the legal advisors and the reporting accountants expenses of HK$[**REDACTED**] million, and (b) other fees and expenses of HK$[**REDACTED**] million. During the Track Record Period, we incurred [**REDACTED**] of HK$[**REDACTED**] million, HK$[**REDACTED**] million of which was charged to our consolidated statements of profit or loss, and HK$[**REDACTED**] million of which was attributable to the [**REDACTED**] of Shares and will be deducted from equity. We expect to incur additional [**REDACTED**] of approximately HK$[**REDACTED**] million after the Track Record Period, approximately HK$[**REDACTED**] million of which is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**]] million of which is attributable to the [**REDACTED**] of Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] 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

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 and up to the date of this document and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.