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## **CHINA ISOTOPE & RADIATION CORPORATION**

**中國同輻股份有限公司**

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

**(Stock Code: 1763)**

### **INSIDE INFORMATION PROGRESS ON POTENTIAL DISPOSAL OF EQUITY INTEREST IN BNIBT THROUGH PUBLIC TENDER**

This announcement is made by China Isotope & Radiation Corporation (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of the Hong Kong).

Reference is made to the announcement of the Company dated 8 September 2023 (the “**Announcement**”) in relation to, among others, the Company’s intention to dispose of 100% equity interest held by the Company in Beijing North Institute of Biotechnology Co., Ltd (北京北方生物技術研究所有限公司) (“**BNIBT**”) by way of transfer through a public tender process on the China Beijing Equity Exchange (北京產權交易所) (“**CBEX**”) (the “**Potential Disposal**”). Unless otherwise indicated in this announcement, terms used in this announcement shall have the same meanings as those defined in the Announcement.

The board (the “**Board**”) of Directors (the “**Directors**”) of the Company has resolved to proceed with the Potential Disposal. As the Company is a state-controlled enterprise and its interest in BNIBT constitutes a state-owned asset under the relevant laws and regulations of the People’s Republic of China (“**PRC**”), and pursuant to the relevant PRC laws and regulations governing the disposal of state-controlled assets, the disposal of which shall be proceeded through the process of public tender on an approved equity exchange, the Potential Disposal will be conducted through CBEX, and the intended transferee who successfully wins the bid will enter into an equity transfer agreement with the Company in accordance with the relevant rules of CBEX and the relevant PRC laws and regulations.

## **KEY INFORMATION OF THE POTENTIAL DISPOSAL**

### **I. Eligibility of potential intended transferee**

1. The intended transferee shall be a domestic enterprise legal person or institution legal person registered and validly existing in the PRC.
2. The intended transferee shall be financially sound with ability to pay.
3. The intended transferee shall have good business credit without any records of illicit operations.
4. Joint transferees and transfer by way of entrustment (including anonymous entrustment) or trust will not be accepted for the purpose of the Potential Disposal.
5. The intended transferee shall fulfill such other requirements stipulated by the PRC national laws and administrative regulations. For details, please refer to the public tender notice in relation to the Potential Disposal of the Company dated 23 October 2023 on the website of CBEX ([www.cbex.com.cn](http://www.cbex.com.cn)).

### **II. Date and procedure of public tender**

In order to commence the formal public tender process for the Potential Disposal, the Company has submitted a tender notice to CBEX in respect of the Potential Disposal on the date of this announcement, which includes information on (but not limited to): (i) the initial minimum transfer price of the interests to be transferred; (ii) the principal transaction terms; and (iii) the descriptions and eligibility of the potential intended transferees. The initial publication period will be within twenty (20) business days after the date of such tender notice. During the publication period, eligible intended transferees may submit applications to CBEX. Upon the expiry of the public tender period, CBEX will notify the Company of the identity of the successful bidder. The transaction process is subject to the relevant trading conditions of CBEX.

As at the date of this announcement, the ultimate transferee, final consideration, time of transfer and other major transaction information under the equity transfer agreement have not been determined. After the ultimate transferee is determined and the equity transfer agreement is entered into, the Company will perform its relevant approval procedures and information disclosure obligations and complete the Potential Disposal. As at the date of this announcement, the Company has not entered into any agreements with any other parties in relation to the Potential Disposal.

### **II. Deposits and consideration**

The intended transferee shall pay a certain amount of transaction deposits in Renminbi (“RMB”) to the designated account of CBEX within three (3) business days after qualification as transferee is confirmed. Upon expiry of the information disclosure period, the transaction will be concluded by way of agreement if a qualified intended transferee is solicited upon confirmation of qualification as transferee as well as payment of deposit. If two or more intended transferees are solicited, the ultimate transferee will be determined

by way of bidding. If the intended transferee is confirmed to be the ultimate transferee, the deposit paid by the transferee shall be converted into part of the transaction price while the deposits paid by the other intended transferees shall be returned without interest within three (3) business days from the date on which the ultimate transferee is determined.

The base price of transfer of the Potential Disposal is RMB260,115,800, which was determined with reference to the valuation of the total equity attributable to the shareholders of BNIBT by an independent third-party appraisal agency on the valuation reference date of 31 March 2023. The final consideration will be subject to the final bid price of the public tender, but in any event will not be less than such base price of transfer. The ultimate transferee shall pay the final consideration of transfer to the account designated by CBEX within five (5) business days from the day following the effective date of the equity transfer agreement, and the consideration for such transfer (including deposits) shall be transferred to the designated account of the Company within three (3) business days after the issuance of transaction certificate by CBEX.

### **III. Conditions of Potential Disposal**

The conditions of the Potential Disposal include those general transaction conditions of the CBEX (including deposits, due diligence and written commitments required for registration of the transferee) and other relevant conditions. For details, please refer to the public tender notice in relation to the Potential Disposal of the Company dated 23 October 2023 on the website of CBEX ([www.cbex.com.cn](http://www.cbex.com.cn)).

### **REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL**

BNIBT, a wholly-owned subsidiary of the Company in the in vitro diagnosis business segment, has been immersed in the field of radio-immunity for nearly 40 years. Under internal and external environmental influences, BNIBT faces huge development opportunities and challenges. The Company intends to introduce strategic investors for BNIBT so as to optimise its shareholding and governance structure, revitalise its existing assets through the introduction of complementary advantageous resources, provide industry synergy and empowerment, inject vitality into the development of BNIBT through the use of capital means to seek better transformation and development of BNIBT in the future and enhance its corporate image. The Board is of the view that the transactions contemplated under the Potential Disposal will be conducted on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders (the “**Shareholders**”) as a whole. The Potential Disposal, if materialised, is beneficial to the Group and will not have any adverse impact on the business and financial performance of the Group.

### **USE OF PROCEEDS FROM THE POTENTIAL DISPOSAL**

On the basis of the base price of transfer, the Company expects the aggregate amount of proceeds from the Potential Disposal to be RMB260,115,800. The Group intends to use the proceeds from the Potential Disposal on the fixed assets, technological research and development and equity investment expenditures of the Company’s strategic main business segments such as radiopharmaceuticals, nuclides, radioactive sources and irradiation application, while supplementing the liquidity required for its operations.

## FINANCIAL IMPACT OF THE POTENTIAL DISPOSAL

On the basis of the base price of transfer, the Company expects to record a pre-tax gain of approximately RMB48,521,900 from the Potential Disposal (on consolidated basis, subject to adjustment and audit). Such amount is determined based on (i) a minimum consideration of approximately RMB260,115,800; and (ii) the audited carrying amount of the Group's 100% equity interest in BNIBT as at 31 March 2023 of RMB211,593,900 (on consolidated basis).

The actual gain of the Potential Disposal will be determined based on the final consideration of the Potential Disposal, which is subject to the audit by the Company's auditor.

## GENERAL INFORMATION

### The Company

The Company and its subsidiaries are primarily engaged in the research, development, manufacturing and sale of diagnostic and therapeutic radio pharmaceuticals and radioactive source products for medical and industrial applications. The Company also provides irradiation services for sterilisation purpose and engineering, procurement and construction services for the design, manufacturing and installation of gamma ray irradiation facilities. In addition, the Company provides independent clinical laboratory services to hospitals and other medical institutions.

### BNIBT

BNIBT, a wholly-owned subsidiary of the Company, is principally engaged in the research, development, manufacturing and sale of in vitro diagnostic reagents, and its business covers the manufacturing of raw materials in the upstream business and products, scientific research service and other industrial chain businesses in the in vitro diagnosis segment. As at the date of this announcement, the Company holds 100% equity interest in BNIBT.

### Financial Information of BNIBT

In accordance with the Chinese Accounting Standards for Business Enterprises, net profits/(losses) (on consolidated basis, before and after taxation) of BNIBT for the nine months ended 30 September 2023, the years ended 31 December 2022 and 2021 are set out below:

|  | <b>Nine months ended<br/>30 September 2023</b><br><i>(RMB0'000)</i><br><i>(Unaudited)</i> | <b>Year ended<br/>31 December 2022</b><br><i>(RMB0'000)</i><br><i>(Audited)</i> | <b>Year ended<br/>31 December 2021</b><br><i>(RMB0'000)</i><br><i>(Audited)</i> |
|--|---|---|---|
| <i>Net profit/(loss) before taxation</i> | -4,113.31   | 8,757.49  | 1,517.16  |
| <i>Net profit/(loss) after taxation</i>  | -4,227.39   | 6,869.48  | 1,418.22  |

Based on the unaudited consolidated financial statements prepared by BNIBT in accordance with the Chinese Accounting Standards for Business Enterprises, the total assets and net assets of BNIBT as at 30 September 2023 were RMB403.1903 million and RMB191.56 million, respectively.

As assessed by an independent third-party appraisal agency on 8 September 2023, with the valuation reference date being 31 March 2023, the total equity attributable to the shareholders of BNIBT was RMB260,115,800.

## **LISTING RULES IMPLICATIONS**

As the final consideration of the Potential Disposal has not yet been determined, the highest applicable percentage ratio (as defined under the Listing Rules) for the Potential Disposal is higher than 5% but less than 25% as determined on the basis of the base price of transfer. Accordingly, the Potential Disposal, once materialised, will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and may also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules if the ultimate transferee is a connected person of the Company as defined under the Listing Rules. Upon confirmation of the final consideration of the Potential Disposal and the identity of the ultimate transferee, the Company will make announcements in accordance with all applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules in due course.

The Company will also make further announcements in respect of any material updates and developments of the Potential Disposal as appropriate in accordance with the relevant applicable laws, regulations and regulatory requirements.

**As at the date of the announcement, the Potential Disposal has not been materialised and the identity of the transferee remains unclear. The Company has not entered into equity transfer agreement with any party and has not made any contractual performance arrangements. Shareholders and potential investors of the Company should note that the Potential Disposal may or may not materialise. Shareholders and potential investors of the Company should be aware that there is no assurance that the Potential Disposal will materialise or as to when it may materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the share(s) of the Company.**

By order of the Board  
**China Isotope & Radiation Corporation**  
**Wang Suohui**  
*Chairman*

Beijing, the PRC, 23 October 2023

*As at the date of this announcement, the Board comprises Mr. Wang Suohui, Mr. Xu Hongchao and Mr. Du Jin as executive Directors; Mr. Chen Shoulei, Mr. Ding Jianmin, Ms. Chang Jinyu and Ms. Liu Xiuhong as non-executive Directors; and Mr. Poon Chiu Kwok, Mr. Tian Jiahe, Ms. Chen Jingshan and Mr. Lu Chuang as independent non-executive Directors.*