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Simcere Pharmaceutical Group Limited
先聲藥業集團有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 2096)

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that on March 25, 2026, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the entire equity interest in the Target Company for a cash Consideration of RMB30,763,200.

Upon completion of the Acquisition, the Target Company will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As of the date of this announcement, the Vendor is directly wholly owned by Jiangsu Medical Diagnostics, which is in turn held as to approximately 51.32% by Nanjing Qiyi. Nanjing Qiyi is wholly owned by Mr. Ren Yong (任用) and his spouse, Ms. Li Shimeng (李詩濛), both being the controlling Shareholders of the Company. As a result, the Vendor is an associate of Mr. Ren Yong and Ms. Li Shimeng and a connected person of the Company. Accordingly, the Acquisition contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on March 25, 2026, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the entire equity interest in the Target Company for a cash Consideration of RMB30,763,200.

Upon completion of the Acquisition, the Target Company will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized below:

Date

March 25, 2026

Parties

(1) Simcere Pharmaceutical, an indirectly wholly-owned subsidiary of the Company, as the Purchaser; and

(2) Jiangsu Diagnostics Technology as the Vendor.

Subject Matter

Pursuant to the Equity Transfer Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the entire equity interest in the Target Company.

The Target Company owns land use rights to a parcel of land situated at Huacao Town, Minhang District, Shanghai, the PRC, with a total gross site area of 5,950.60 sq.m. (the "**Target Land**"). A construction-in-progress project is located on the Target Land, which has suspended construction and only carried out preliminary works as of the date of this announcement.

Consideration and Basis of Determination of the Consideration

Pursuant to the Equity Transfer Agreement, the Consideration is RMB30,763,200, which shall be satisfied by cash. Such Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the appraised market value of the 100% equity interest in the Target Company as of Valuation Benchmark Date, being RMB30,763,200, as stated in the Valuation Report issued by an independent and qualified Valuer. The Valuation Report is valid until November 29, 2026. A summary of the Valuation Report containing, among other things, the valuation scope, valuation methodology, valuation model and input parameters and key assumptions for preparation of the Valuation Report is set out in Appendix I to this announcement.

Payment Arrangement

Pursuant to the Equity Transfer Agreement, the Consideration shall be paid in cash by the Purchaser to the Vendor within 30 days after signing of the Equity Transfer Agreement. The Consideration will be funded by the internal resources of the Group.

Condition Precedents and Completion

Pursuant to the Equity Transfer Agreement, such agreement shall become effective upon obtaining all necessary internal approvals of the parties and the relevant governmental approvals (the "**Effective Date**"). Within 30 days after the Effective Date, the Vendor shall deliver to the Purchaser all documents and information necessary for the completion of the filings and registrations with respect to such equity transfer. The completion of the Acquisition shall take place on the date when the relevant filings and registrations are completed.

Upon completion of the Acquisition, the Target Company will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

GENERAL INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on October 18, 2021. As of the date of this announcement, the Target Company is directly wholly owned by the Vendor.

The Target Company has no actual business operations as of the date of this announcement. The major assets of the Target Company include: (i) the land use rights of the Target Land; and (ii) a construction in progress, which, as of the date of this announcement, has suspended construction and only carried out preliminary works.

Set out below is certain unaudited financial information of the Target Company as of the dates/for the periods indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000		
	(Unaudited)		
Net assets	29,681.8	29,676.0	29,667.5
Total liabilities	6,646.1	11,488.8	15,633.4
Total assets	36,327.9	41,164.8	45,300.9

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000		
	(Unaudited)		
Revenue	–	–	–
(Loss) before taxation	(208.8)	(5.8)	(8.5)
(Loss) after taxation	(208.8)	(5.8)	(8.5)

The original acquisition cost for the Target Company paid by the Vendor was nil.

GENERAL INFORMATION ON THE PARTIES

Information on the Vendor

The Vendor is a limited liability company established in the PRC on June 24, 2019. As of the date of this announcement, the Vendor was directly wholly owned by Jiangsu Medical Diagnostics, which was in turn held by (a) Nanjing Qiyi as to approximately 51.32%, which is wholly owned by Mr. Ren Yong (任用) and his spouse, Ms. Li Shimeng (李詩濛), both being the controlling Shareholders of the Company; (b) Nanjing Xinjiye Technology Development Co., Ltd.* (南京新基業科技發展有限公司) as to approximately 14.57%, which is wholly owned by Mr. Ren Jinsheng (任晉生), an executive Director, the chief executive officer and a controlling Shareholder of the Company, and his spouse, Ms. Wang Xi (王熙), an executive Director of the Company; and (c) 26 institutional investors collectively as to approximately 34.11%, among which (i) approximately 7.33% is held by the largest institutional investor, Hongyi 2015 (Shenzhen) Equity Investment Fund Center (Limited Partnership) (弘毅貳零壹伍(深圳)股權投資基金中心(有限合夥)), which is ultimately controlled by Mr. Zhao John Huan, Mr. Cao Yonggang (曹永剛) and Mr. Xu Minsheng (徐敏生), and (ii) the remaining equity interest of Jiangsu Medical Diagnostics was held by the other 25 institutional investors ranges from approximately 0.02% to 3.38%. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, all of the aforementioned institutional investors and their ultimate beneficial owners are Independent Third Parties.

The Vendor is principally engaged in R&D and sales of medical devices.

Information on the Purchaser

The Purchaser is a limited liability company established in the PRC on September 10, 1998 and an indirectly wholly-owned subsidiary of the Company. The Purchaser is principally engaged in manufacturing and sales of pharmaceutical products, as well as technology development, consultation and services.

Information on the Company

The Company is an innovation and R&D-driven pharmaceutical company and the Group has established a "State Key Laboratory of Neurology and Oncology Drug Development." The Group focuses on the therapeutic areas of neuroscience, anti-oncology, autoimmune and anti-infection, with forward-looking layout of disease areas that may have significant clinical needs in the future, aiming to achieve the mission of "for patients, for life." Driven by its in-house R&D efforts and synergistic innovation, the Company has established strategic cooperation partnerships with many innovative companies and research institutes.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition aims to create an open innovation exchange center (the "**Center**"), which is an important strategic facility for implementing the innovation-driven development strategy. As a strategic facility, the Center will build an industrial incubation and transformation platform to expand and attract a group of high-potential innovation entities for cooperation. In addition, supporting living facilities will be constructed to meet the needs of attracting internal and external talent, project collaboration, and academic exchange.

The Center aims to create an innovation platform that consolidates the Group's innovation resources and strengthens external interaction capabilities, promotes the establishment of offices by international industry partners, and facilitates the deep integration of global R&D resources with the life sciences innovation ecosystem in the PRC. It will also introduce a batch of innovative projects for incubation, conduct forward-looking planning, and seize disruptive innovation opportunities. The Center is expected to significantly enhance the Group's external cooperation capabilities, thereby strengthening innovation upgrades and strategic responsiveness.

Based on the continuous expansion of business and the need to enhance innovation capabilities, the Group will continue to increase talent density, attract and reserve more outstanding talents, and establish a sound mechanism for the selection, use, cultivation, and retention of high-level personnel. Supporting living facilities are an important support for attracting high-end talent. Currently, the Group's existing living support resources are increasingly showing significant limitations in meeting the future demand for talent reserves. To overcome these current constraints, constructing centralized living support facilities has become a strategic necessity.

The Target Land is considered well-suited for the development of the Center, given its favorable geographic location and alignment with the planned usage purpose. Its accessibility and proximity to both the Group's personnel and external partners will facilitate more efficient travel arrangements and enable the establishment of a stable and sustainable communication hub. Since preliminary construction works on the Target Land have already been carried out, unlike acquiring alternative land and initiating a new construction cycle, the Acquisition enables the Group to substantially accelerate the completion timeline of the Center, avoid duplicative investment, and reduce project uncertainties. This Acquisition is therefore aligned with the Group's operational plans and strategic development objectives, supporting the long-term growth and competitiveness of the Group in an increasingly dynamic business environment.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement was entered into on an arm's length basis and on normal commercial terms (although not in the ordinary and usual course of business of the Group), and that the terms of the Transfer Agreement (including, but not limited to, the Consideration) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. Ren Yong is the son of Mr. Ren Jinsheng and Ms. Wang Xi is the spouse of Mr. Ren Jinsheng, both Mr. Ren Jinsheng, the chairman of the Board and an executive Director, and Ms. Wang Xi, an executive Director, are considered to have a material interest in the Acquisitions and shall abstain from voting at the relevant Board resolutions approving such transaction. Save as above, none of the other Directors has any material interest in the Acquisition and has abstained from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

As of the date of this announcement, the Vendor is directly wholly owned by Jiangsu Medical Diagnostics, which is in turn held as to approximately 51.32% by Nanjing Qiyi. Nanjing Qiyi is wholly owned by Mr. Ren Yong and his spouse, Ms. Li Shimeng, both being the controlling Shareholders of the Company. As a result, the Vendor is an associate of Mr. Ren Yong and Ms. Li Shimeng and a connected person of the Company. Accordingly, the Acquisition contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"Acquisition"	the acquisition of the entire equity interest in the Target Company by the Purchaser from the Vendor pursuant to the terms of the Equity Transfer Agreement
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors

"Company"	Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司) (Stock Code: 2096), a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	an amount of RMB30,763,200 payable by the Purchaser to the Vendor as consideration pursuant to the Equity Transfer Agreement, as more particularly described under the paragraph headed "Consideration and Basis of Determination of the Consideration" in this announcement
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	the equity transfer agreement entered into between the Purchaser and the Vendor on March 25, 2026, in relation to the purchase and sale of the entire equity interest in the Target Company, as more particularly described in the section headed "The Equity Transfer Agreement" in this announcement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
"Jiangsu Medical Diagnostics"	Jiangsu Simcere Medical Diagnostics Co., Ltd.* (江蘇先聲醫學診斷有限公司), a limited liability company established in the PRC on February 24, 2017, an associate of Mr. Ren Yong and Ms. Li Shimeng, and hence a connected person of the Company

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Nanjing Qiyi"	Nanjing Qiyi Technology Co., Ltd.* (南京麒翼科技有限公司), a limited liability company established in the PRC on July 9, 2019 and wholly owned by Mr. Ren Yong and Ms. Li Shimeng, both being the controlling Shareholders of the Company
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Purchaser" or "Simcere Pharmaceutical"	Simcere Pharmaceutical Co., Ltd.* (先聲藥業有限公司), formerly known as Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd.* (南京先聲東元製藥有限公司), a limited liability company established in the PRC on September 10, 1998 and an indirectly wholly-owned subsidiary of the Company
"R&D"	research and development
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the same meaning ascribed to it under the Listing Rules
"Target Company"	Shanghai Simcere Diagnostic Technology Co., Ltd.* (上海先聲診斷技術有限公司), a limited liability company established in the PRC on October 18, 2021, the sole shareholder of which is the Vendor immediately before the date of this announcement

"Vendor" or "Jiangsu Diagnostics Technology"	Jiangsu Simcere Diagnostic Technology Co., Ltd.* (江蘇先聲診斷技術有限公司), a limited liability company established in the PRC on June 24, 2019 and a directly wholly-owned subsidiary of Jiangsu Medical Diagnostics
"Valuation Benchmark Date"	being November 30, 2025
"Valuation Report"	the valuation report (Su Hua Ping Bao Zi [2026] No. 238) issued by the Valuer with November 30, 2025 as the Valuation Benchmark Date
"Valuer"	Jiangsu Huaxin Asset Appraisal Co., Ltd.* (江蘇華信資產評估有限公司), an independent and qualified valuer
"%"	per cent

* *for identification purpose*

By order of the Board
Simcere Pharmaceutical Group Limited
Mr. REN Jinsheng
Chairman and Executive Director

Hong Kong, March 25, 2026

As of the date of this announcement, the Board comprises Mr. REN Jinsheng as the Chairman and executive Director; Mr. TANG Renhong, Mr. WAN Yushan and Ms. WANG Xi as the executive Directors; and Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as the independent non-executive Directors.

VALUATION TARGET AND SCOPE

The valuation target is the market value of the entire equity interest of the Target Company.

The scope of valuation is all of the assets and liabilities of the Target Company as of the Valuation Benchmark Date, including current assets, non-current assets and current liabilities.

VALUATION METHODOLOGY

The methodology adopted for preparation of the Target Company's Valuation Report is the asset-based approach. The Valuer is of the view that the asset-based approach is the most appropriate valuation approach for the valuation of the Target Company as compared to income approach or market approach for the following reasons:

(i) the income approach is a method to quantify and discount the expected profitability of the overall assets of an enterprise, indicting the expected profitability and operational efficiency of the enterprise's income. However, the Target Company has no actual business operations since its establishment and, as of the Valuation Benchmark Date, had no concrete operation and development plans enabling the Valuer to make a reliable forecast on its future income. Therefore, the income approach is not adopted in the valuation of the Target Company;

(ii) the market approach is a method to appraise the value of the target asset by comparing data of objects directly originated from the real market. However, no adequate number of comparable companies is available in the current market that have identical or similar principal business and operational scale with the Target Company. As such, the market approach is not suitable for the valuation of the Target Company;

(iii) the asset-based approach is a method to determine the value of an enterprise by reasonably assessing all the on and off-balance sheet assets and liabilities of the assessed entity as of the valuation benchmark date, based on the entity's balance sheet. This approach operates under the assumption of reconstructing all production factors, whereby the total equity value is derived by aggregating the assessed values of all constituent asset components and deducting the evaluated amounts of all liabilities. The Valuer considers that the conditions and prerequisites for application of the asset-based approach have been satisfied for the valuation of the Target Company, and therefore adopted the asset-based approach for such valuation.

VALUATION MODEL AND INPUT PARAMETERS

Valuation of Total Shareholders' Equity = ∑Valuations of Assets-∑Valuations of Liabilities

The specific valuation methodologies applied to the assets and liabilities are as follows:

(i) Current Assets

As at the Valuation Benchmark Date, the total carrying amount of current assets was RMB513,000.00, which consisted of monetary funds and other receivables.

(a) Monetary Funds

As at the Valuation Benchmark Date, the carrying amount of monetary funds was RMB268,989.70, which were bank deposits.

Bank deposits consist of two accounts, both are Renminbi accounts. During the valuation of bank deposits, the Valuer first obtained the bank deposits' asset declaration forms against detailed ledgers, general ledgers and statements; subsequently, it obtained the bank statements, bank confirmation letters and letter of guarantee for confirmation, and adopted the verified carrying amount as the valuing amount.

Following the above valuation formula, the valuing amount of monetary funds is RMB268,989.70, without valuation change.

(b) Other Receivables

As at the Valuation Benchmark Date, the original carrying amount of other receivables was RMB244,007.37 with provision of bad debts of RMB0.00. The net carrying amount was RMB244,007.37, which primarily consist of provisional value-added tax, deposits and utilities expense.

The Valuer first cross-checked all accounts receivable against the financial ledgers provided by the company, conducting random checks on relevant supporting documents. Subsequently, the Valuer evaluated the recoverability of each receivable. Finally, the assessed value is determined based on the recoverable amount of each verified item.

Following the above valuation formula, the valuing amount of other receivables is RMB244,007.37, without valuation change.

(ii) Construction-in-progress Project

(1) Book Composition and Quantity of Construction in Progress

The construction-in-progress project declared by the Target Company is the Simcere Diagnostics (China) R&D Center, totaling one item with a carrying amount of RMB18,205,750.29, which primarily includes pre-construction costs, construction payments, administrative expenses, land amortisation, etc.

(2) Valuation Method

The Valuer reviewed the project's specific scope, commencement date, settlement method, actual completion rate, and project volume. The Valuer also verified payment vouchers, cost breakdown of the items, and relevant contracts pertaining to the construction-in-progress project. For the land amortisation expenses, as the land use rights had already been evaluated under the category of the intangible assets – land use rights, this portion of construction-in-progress project expenses was assessed as 0. The assessment value of the remaining expenses are subject to the book values after verification.

(3) Valuation Results

Following the above valuation formula, the valuing amount of construction-in-progress – civil engineering is RMB16,508,928.45, with a valuation depreciation of RMB1,696,821.84 and a depreciation rate of 9.32%.

(iii) Intangible Assets – Land Use Rights

(1) Intangible Assets – Book Composition and Quantity of Land Use Rights

As at the Valuation Benchmark Date, the carrying amount of intangible assets was RMB26,583,540.66.

(2) Valuation Method

The Target Company declared the land use rights as being for scientific research and design purposes. Following an on-site inspection of the land parcel subject to valuation (the "**Appraised Land Parcel**") and market research into comparable land uses, the Valuer identified numerous instances of recent transactions within the same supply-demand sphere involving Appraised Land Parcel consistent utilisation conditions to the land parcel subject to valuation. Consequently, the market approach is applicable for this valuation. Given the scarcity of comparable land leasing instances for identical land uses within the market, the income approach is inapplicable. Furthermore, each of the costs, expenses and appreciation gains during the process of land acquisition is difficult to ascertain, rendering the cost approach impractical. Therefore, the market approach is applied for this valuation.

The market approach involves selecting a certain number of comparable transaction instances, comparing them with the land use rights subject to valuation, and subsequently adjusting these comparable instances based on the differences identified to arrive at the value of the land use rights under valuation.

The valuation formula: PD = PB×A×B×C×D×E

Which consists of : PD – Value of the land use rights;

PB—Land parcel transaction prices of comparable instances;

A—Transaction Condition Adjustment Factor, calculated as the ratio of the transaction condition index of the land parcel to the transaction condition index of the comparable instances;

B—Transaction Date Adjustment Factor, calculated as the ratio of the land price index on the valuation benchmark date of the land parcel to the land price index on the transaction date of the comparable instances;

C—Area Factor Correction Factor, calculated as the ratio of the area factor conditions index of the land parcel to the area factor conditions index of the comparable instances;

D—Individual Factor Correction Factor, calculated as the ratio of the individual conditions index of the land parcel to the individual factor conditions index of the comparable instances;

E—Term Adjustment Factor, calculated as the ratio of the term adjustment index of the land parcel area to the term adjustment index of the comparative instances.

(3) Valuation Process

i. Land Overview

The Target Company has declared one land use right and has obtained the "Shanghai (2023) Min Real Estate Rights No. 005768" Real Estate Title Certificate. The land parcel is located in Huacao Town, Minhang District, Shanghai, bounded by Plots 07-07 and 08-08 to the east, Minbei Road to the south, Jinguang Road to the west, and Luojiagang to the north. The total land use area is 5,950.60 sqm., with a floor area ratio of ≤2.5. The land is designated for research and design purposes, and the term of the land use right expires on December 20, 2072. As of the Valuation Date, the Appraised Land Parcel was not subject to any mortgages or security interests.

ii. Valuation Process

(i) Selection of Comparable Cases

Based on the survey analysis, the Valuer selected three comparable cases involving recent transactions with conditions similar to those of the Appraised Land Parcel. The specific selection criteria and descriptions of the cases are as follows:

The criteria for selecting cases are as follows:

- Belongs to the same supply-demand zone as the Appraised Land Parcel
- Same or similar land use to the Appraised Land Parcel
- Similar transaction method to the Appraised Land Parcel
- Close Valuation Benchmark Date to the Appraised Land Parcel
- Must be a normal transaction or adjusted to be a normal transaction

Based on factors such as the location of the Appraised Land Parcel, transportation conditions, infrastructure status, environmental conditions, and the maturity of the industrial zone, the Valuer collected and selected three industrial land transaction cases located within the same supply-demand zone as the Appraised Land Parcel and with similar locational conditions to serve as comparable cases ("**Comparable Case(s)**"). The basic details of the Comparable Cases are as follows:

Comparison Factors	**Comparable Case 1**	**Comparable Case 2**	**Comparable Case 3**
Land Location	Land 71-02, Block MHP0-1403, Huacao Town, Minhang District (Minhang District R&D Land No. 52)	Land 71-03, Block MHP0-1403, Huacao Town, Minhang District (Minhang District R&D Land No. 53)	Land 62-06 and 64-01, Block MHP0-1403, Huacao Town, Minhang District (Minhang District R&D Land No. 47)
Land Area (m^2)	5,780	8,489.15	38,800.6
Land Use	Research	Research	Research
Transaction Date	March 14, 2024	April 2, 2024	February 7, 2023
Total Transaction Price (RMB 0,000)	3,580	5,257	21,341
Floor Area Ratio	R≤3.5	R≤3.5	R≤3.5
Transaction Price per Square Meter of Floor Area (RMB/m^2)	1,770	1,769	1,571
Concession Term	50 years	50 years	50 years
Transaction Method	Public tender	Public tender	Public tender
Land Development Status	The land parcel has been leveled	The land parcel has been leveled	The land parcel has been leveled

(ii) Establish a basis for price comparability

The Appraised Land Parcel and the Comparable Cases are consistent in terms of payment methods, currency and currency units, area definitions, and area units, and therefore no adjustments are necessary.

(iii) Selection of Factors

Based on an analysis of the land market in the area where the Appraised Land Parcel is located at, and in accordance with the key factors affecting industrial land, this appraisal selects the following factors for comparison, taking into account the appraisal data available to the Valuer, the data collected, and the basic characteristics of the Comparable Cases:

- Transaction Date: Adjustments are made to account for the impact of different transaction dates on land prices.

- Transaction Conditions: Consider whether the transaction has a normal impact to the land prices.

- Transaction Method: Adjustments must be made for differences in land prices resulting from different transaction methods.

- Land Use: The land use of the transaction cases selected for this appraisal is industrial land, which is consistent with the statutory land use of the Appraised Land Parcel; therefore, no adjustment is required.

- Useful Life: Adjustments to useful life must be made for differences in land prices resulting from different useful life.

- Regional Factors: Primarily include road types, accessibility to external transportation, infrastructure conditions, environmental conditions, industrial zone maturity, administrative planning, special government policies, and industrial regulations.

- Individual Factors: Primarily include the level and accessibility of adjacent roads, land parcel shape, land parcel area, topography, slope, geological conditions, level of land parcel development, and distance from hazardous facilities.

(iv) Preparation of a Table of Comparative Factors and Conditions

The Valuer organizes the collected data and presents the relevant factors and conditions of the Appraised Land Parcel and the Comparable Cases as shown in the table below:

Affecting Factors	**Appraised Land Parcel**	**Comparable Case 1**	**Comparable Case 2**	**Comparable Case 3**
Location	Land 1/19, 295 Street, Huacao Town	Land 71-02, Block MHP0-1403, Huacao Town, Minhang District (Minhang District R&D Land No. 52)	Land 71-03, Block MHP0-1403, Huacao Town, Minhang District (Minhang District R&D Land No. 53)	Land 62-06 and 64-01, Block MHP0-1403, Huacao Town, Minhang District (Minhang District R&D Land No. 47)
Transaction Price	To be appraised	1,770	1,769	1,571
Transaction Date	November 30, 2025	March 14, 2024	April 2, 2024	February 7, 2023
Land Use	Industrial – Science and Education (R&D)	Industrial –R&D	Industrial –R&D	Industrial –R&D
Transaction Conditions	Normal	Normal	Normal	Normal
Land Useful Life	47.06 years	50 years	50 years	50 years

Affecting Factors		Appraised Land Parcel	Comparable Case 1	Comparable Case 2	Comparable Case 3
Area Factors	Road Conditions	Primary and secondary roads are equally important; relatively good	Primary and secondary roads are equally important; relatively good	Primary and secondary roads are equally important; relatively good	Primary and secondary roads are equally important; relatively good
	External Transportation Conditions	The connectivity of expressways within the same urban area is relatively good	The connectivity of expressways within the same urban area is relatively good	The connectivity of expressways within the same urban area is relatively good	The connectivity of expressways within the same urban area is relatively good
	Infrastructure	Water and electricity supply reliability exceeds 98%, rated good; drainage conditions are good; communication infrastructure is good; overall rating is good	Water and electricity supply reliability exceeds 98%, rated good; drainage conditions are good; communication infrastructure is good; overall rating is good	Water and electricity supply reliability exceeds 98%, rated good; drainage conditions are good; communication infrastructure is good; overall rating is good	Water and electricity supply reliability exceeds 98%, rated good; drainage conditions are good; communication infrastructure is good; overall rating is good
	Environmental Conditions	Pollutant emissions meet standards, pollution control efforts are good	Pollutant emissions meet standards, pollution control efforts are good	Pollutant emissions meet standards, pollution control efforts are good	Pollutant emissions meet standards, pollution control efforts are good
	Area Maturity	High concentration of R&D enterprises, high level of regional maturity	High concentration of R&D enterprises, high level of regional maturity	High concentration of R&D enterprises, high level of regional maturity	High concentration of R&D enterprises, high level of regional maturity
	Administrative Planning	Future land use will primarily consist of land designated for R&D, good	Future land use will primarily consist of land designated for R&D, good	Future land use will primarily consist of land designated for R&D, good	Future land use will primarily consist of land designated for R&D, good
	Government Policies and Industry Regulations	Encourages the development of high-tech and innovation industries, with corresponding preferential policies, relatively good	Encourages the development of high-tech and innovation industries, with corresponding preferential policies, relatively good	Encourages the development of high-tech and innovation industries, with corresponding preferential policies, relatively good	Encourages the development of high-tech and innovation industries, with corresponding preferential policies, relatively good

Affecting Factors		Appraised Land Parcel	Comparable Case 1	Comparable Case 2	Comparable Case 3
Individual Factors	Classification and Accessibility of Adjacent Roads	Located near a secondary transportation arterial road, relatively good accessibility	Located near a secondary transportation arterial road, relatively good	Located near a secondary transportation arterial road, relatively good	Located near a secondary transportation arterial road, relatively good
	Shape of the Land Parcel	Approximately rectangular in shape, relatively good	Approximately rectangular in shape, relatively good	Approximately rectangular in shape, relatively good	Approximately rectangular in shape, relatively good
	Land Parcel Area	5,950.6 sqm.; land use is less than ideal	5,780 sqm.; land use is less than ideal	8,489.15 sqm.; land use is less than ideal	35,455.2 sqm.; land use is more than ideal
	Topography and Slope	Topography is relatively flat with a gentle slope	Topography is relatively flat with a gentle slope	Topography is relatively flat with a gentle slope	Topography is relatively flat with a gentle slope
	Geological Conditions	Foundation is average; bearing capacity is average; standard foundation work is required for general industrial building construction	Foundation is average; bearing capacity is average; standard foundation work is required for general industrial building construction	Foundation is average; bearing capacity is average; standard foundation work is required for general industrial building construction	Foundation is average; bearing capacity is average; standard foundation work is required for general industrial building construction
	Floor Area Ratio	R≤2.5	R≤3.5	R≤3.5	R≤3.5
	Development Status	The site has been leveled	The site has been leveled	The site has been leveled	The site has been leveled
	Distance from Hazardous Facilities	>2,000m	>2,000m	>2,000m	>2,000m

(v) Preparation of the Comparative Factor Index Table

When applying the market approach in this valuation, the transaction dates, transaction conditions, transaction methods, land use, land useful life, regional factors, and individual factors selected for the preparation of the comparative factor index were determined by the Valuer based on market transaction conditions. The basis for determining each comparative factor index is as follows:

(a) Transaction Date

All transaction cases selected for this valuation occurred after February 2023, and the Valuation Benchmark Date was November 30, 2025. According to data from public websites, the average transaction price for R&D land in Shanghai in 2024 was RMB4.31 million/mu, representing an increase of approximately 0.9% compared to 2023. Therefore, the annual growth rate for this valuation is set at 0.9%.

Therefore, the transaction time adjustment factor is:

Comparable Case 1 = Comparable Case 2 = 100 + 0.9%/12 * 20 = 101.50

Comparable Case 3 = 100 + 0.9%/12 * 33 = 102.48

(b) Transaction Circumstances

The transaction conditions for the Appraised Land Parcel and Comparable Case 1, Comparable Case 2, and Comparable Case 3 are all normal, with no abnormal transaction factors; therefore, no adjustment is made for transaction conditions.

(c) Transaction Method

The transaction methods for the Appraised Land Parcel and Comparable Case 1, Comparable Case 2, and Comparable Case 3 are the same; therefore, no adjustment is required.

(d) Land Use

The land use of the comparables selected for this valuation is R&D land, which is consistent with the statutory land use of the Appraised Land Parcel; therefore, no adjustment is made.

(e) Land Useful Life

The land useful life of the selected comparables are inconsistent with that of the Appraised Land Parcel; therefore, an adjustment for land use term is required.

- Determination of the Land Capitalization Rate

  - ♦ Calculating the Land Capitalization Rate Using the Safe Rate Plus Risk Adjustment Method

    The capitalization rate = safe rate + risk adjustment. For this valuation, the safe rate is set at 1.26%, the yield on 10-year government bonds. Considering industry risks, operational risks, and financial risks associated with land investment, as well as risks related to the national economic climate and inflation, the risk adjustment is determined to be 3%~5%, resulting in a capitalization rate of 4.26%~6.26%.

♦ Comprehensive Ranking and Insertion Method Based on Investment Risk and Return

The specific method involves ranking the returns on various types of investments in the society from lowest to highest, and then determining the specific value of the required capitalization rate based on empirical judgment. The 10-year government bond yield is 1.26%, the 1-year LPR is 3.0%, and the return on stock investments is over 8%. Considering that the risk of investing in land is greater than that of purchasing 10-year government bonds but lower than that of investing in stocks, and that the capitalization rate is higher than the yield on 10-year or longer government bonds but lower than the capitalization rate on stock investments, the capitalization rate is determined to be 1.26%~8%.

Based on the results of the two methods described above, the land capitalization rate for this land appraisal is ultimately determined to be 5%.

- Calculation of the Term Adjustment Factor

  Term adjustment factor $K = [1 - 1/(1 + r)^m]$

  r — Land capitalization rate;

  m — Land use term of the Appraised Land Parcel/ Comparable Case;

  Land parcel: $K = [1 - 1/(1 + 5\%)^{47.06}] = 0.8993$

  Comparable Case 1: $K = [1 - 1/(1+5\%)^{50}] = 0.9128$

  Comparable Case 2: $K = [1 - 1/(1+5\%)^{50}] = 0.9128$

  Comparable Case 3: $K = [1 - 1/(1+5\%)^{50}] = 0.9128$

(f) Regional Factors

- Road Accessibility

  Based on the road type in the area where the Appraised Land Parcel is located at, with a factor condition index of 100%, the following five levels are used: main roads as the primary factor, main and secondary roads equally weighted, secondary roads as the primary factor, secondary and branch roads equally weighted, and branch roads as the primary factor. For every one-level increase or decrease in the road type of the case area relative to the standard, the factor condition index increases or decreases by 2%.

- Transportation Convenience

  Classified into five levels: poor, relatively poor, average, relatively good, and good. Using the connectivity of the Appraised Land Parcel's area to intra-city expressways as the standard, with a factor index of 100%. For every one-level increase or decrease in the transportation convenience of the case area relative to the standard, the factor condition index increases or decreases by 2%.

- Infrastructure Status

  Based on the level of infrastructure development in the area where the Appraised Land Parcel is located at, with a factor index of 100%. For every increase or decrease of one category in the infrastructure status of the case study area relative to the standard (e.g., "one utility available" or "one ground level"), the factor index increases or decreases by 3%.

- Regional Maturity

  Classified into five levels: high, relatively high, average, relatively low, and low. Based on the industrial concentration and level of collaborative support in the area where the Appraised Land Parcel is located at, with a factor condition index of 100%. For every one-level increase or decrease in the maturity of the industrial zone in the case study area relative to the standard, the factor condition index increases or decreases by 3%.

- Administrative Planning

  Future land use is categorized into five levels: industrial, industrial and municipal, municipal and residential, residential and commercial, and other land uses. The factor condition index is set at 100% based on the future use of the Appraised Land Parcel. For every one-level increase or decrease in the administrative factor of the case study area relative to the standard, the factor condition index increases or decreases by 2%.

- Environmental Conditions

  Classified into five levels: poor, relatively poor, average, relatively good, and good. Using the pollution emission and control status of the area where the Appraised Land Parcel is located at as the standard, the factor condition index is set at 100%. For every one-level increase or decrease in the environmental quality of the area where the Comparable Case is located relative to the standard, the factor condition index increases or decreases by 2%.

(g) Individual Factors

- Adjacent Road Level and Accessibility

  Classified by adjacent road type into five levels: expressways, main roads, secondary roads, branch roads, and alleys. Using the area of the Appraised Land Parcel as the standard, the factor condition index is set at 100%. For every one-level increase or decrease in the level and accessibility of the roads adjacent to the Comparable Case area relative to the standard, the factor condition index increases or decreases by 2%.

- Land Parcel Shape

  Classified into five levels: rectangular, near-rectangular, general, relatively irregular, and irregular. Using the Appraised Land Parcel shape as the standard, the factor condition index is set at 100%. For every one-level increase or decrease in the shape of Comparable Cases relative to the standard, the factor condition index increases or decreases by 1%.

- Land Parcel Area

  Classified into five levels: unsuitable, relatively suitable, average, relatively suitable, and suitable. Using the area of the Appraised Land Parcel as the standard, the factor condition index is set at 100%. For every one-level increase or decrease in the Comparable Case's area relative to the standard, the factor condition index increases or decreases by 1%.

- Topography and Slope

  Classified into five levels: good, relatively good, average, relatively poor, and poor. Using the transportation conditions of the Appraised Land Parcel standard, the factor condition index is set at 100%. For every one-level increase of decrease in the transportation conditions of the Comparable Cases relative to the standard, the factor condition index increase or decreases by 1%.

- Geological Conditions

  Classified into five levels: good, relatively good, average, relatively poor, and poor. Using the geological conditions of the Appraised Land Parcel as the standard, the factor condition index is set at 100%. For ever one-level increase or decrease in the geological conditions of the Comparable Cases relative to the standard, the factor condition index increases or decreases by 2%.

- Floor Area Ratio

  The Appraised Land Parcel is classified as Level 7 land with a floor area ratio of ≤ 2.5. According to the published adjustment factor table for R&D land, the corresponding adjustment factor is 1.00. Comparable Case 1, Comparable Case 2, and Comparable Case 3 are all Level 7 land with a floor area ratio of ≤ 3.5, so the corresponding adjustment factor is 0.883.

- Development Status

  Using the development level of the Appraised Land Parcel as the standard, the factor condition index is set at 100%. For every increase or decrease in "one utility available" or "one ground level" relative to the standard, amendments are made correspondingly.

- Distance from Hazardous Facilities

  Distance from hazardous facilities is classified into five levels: good, relatively good, average, relatively poor, and poor, corresponding to >2,000m, 1,500-2,000m, 1,000-1,500m, 600-1,000m and <600m respectively. Using the distance of the Appraised Land Parcel from hazardous facilities as the standard, the factor condition index is set at 100%. For every increase or decrease in the land use restriction of the Comparable Cases relative to the standard, the factor condition index increases or decreases by 1%.

  Based on the factor conditions of the Appraised Land Parcel and the Comparable Cases as outlined in the Table of Comparative Factors and Conditions, a comparative analysis and quantification of the comparison index are conducted for the preparation of the Table of Comparative Factor Condition Index, as detailed in the table below:

Affecting Factors	Appraised Land Parcel	Comparable Case 1	Comparable Case 2	Comparable Case 3
Transaction Price	To be appraised	1,770.00	1,769.00	1,571.00
Transaction Date	100	101.50	101.50	102.48
Land Use	100	100	100	100
Transaction Details	100	100	100	100
Land Useful Life	0.8993	0.9128	0.9128	0.9128

Affecting Factors		Appraised Land Parcel	Comparable Case 1	Comparable Case 2	Comparable Case 3
Regional Factors	Road Conditions	100	100	100	100
	External Transportation Conditions	100	100	100	100
	Infrastructure	100	100	100	100
	Environmental Conditions	100	100	100	100
	Area Maturity	100	100	100	100
	Administrative Planning	100	100	100	100
	Special Government Policies and Industrial Regulations	100	100	100	100
Individual Factors	Adjacent Road Classifications and Accessibility	100	100	100	100
	Land Shape	100	100	100	100
	Land Area	100	100	100	103
	Topography and Slope	100	100	100	100
	Geological Conditions	100	100	100	100
	Floor Area Ratio	1	0.883	0.883	0.883
	Development Status	100	100	100	100
	Distance from Hazardous Facilities	100	100	100	100
Adjusted price			2,005.00	2,003.00	1,744.00

(v) Preparation of the Table of Comparative Factor Adjustment Coefficient

Based on the Table of Comparative Factor Condition Index, adjustments are made for the transaction time, transaction conditions, transaction method, land useful life, regional factors, and individual factors of the Comparable Cases. The factor condition index of the Appraised Land Parcel are compared with those of the Comparable Cases to derive the factor adjustment coefficients, as detailed in the table below:

Affecting Factors		**Comparable Case 1**	**Comparable Case 2**	**Comparable Case 3**
Transaction Price		1,770.00	1,769.00	1,571.00
Transaction Date		101.5/100	101.5/100	102.475/100
Land Use		100/100	100/100	100/100
Transaction Conditions		100/100	100/100	100/100
Land Useful Life		0.8993/0.9128	0.8993/0.9128	0.8993/0.9128
Regional Factors	Road Conditions	100/100	100/100	100/100
	External Transportation Conditions	100/100	100/100	100/100
	Infrastructure	100/100	100/100	100/100
	Environmental Conditions	100/100	100/100	100/100
	Area Maturity	100/100	100/100	100/100
	Administrative Planning	100/100	100/100	100/100
	Special Government Policies and Industrial Regulations	100/100	100/100	100/100

Affecting Factors		Comparable Case 1	Comparable Case 2	Comparable Case 3
Individual Factors	Classification and Accessibility of Adjacent Roads	100/100	100/100	100/100
	Land Shape	100/100	100/100	100/100
	Land Area	100/100	100/100	100/103
	Topography and Slope	100/100	100/100	100/100
	Geological Conditions	100/100	100/100	100/100
	Development Status	100/100	100/100	100/100
	Distance from Hazardous Facilities	100/100	100/100	100/100
Adjusted Price		2,005	2,003	1,744
Approved Price (Accommodation Value)				1,917
Land Price per Unit Area (RMB/sqm.)				4,792.5

(vii) Value of the Land Parcel = Land Price per Unit Area × Land Area × (1 + Deed Tax)

After making adjustments based on the comparison, the arithmetic mean of the three comparable prices was used as the valuation result of the market comparison approach. The final unit price of the Appraised Land Parcel is:

Value of the Appraised Land Parcel = Land Price per Unit Area × Land Area × (1 + Deed Tax)

= 4,792.5 × 5,950.6 × (1 + 3%)

≒ RMB29,373,800.00 (rounded).

(4) Valuation Result

Following the above valuation formula, the market value of the land use rights of the Appraised Land Parcel as at the Valuation Benchmark Date is RMB29,373,800.00, with a valuation appreciation of RMB2,790,259.34 and an appreciation rate of 10.50%.

(iv) Liability Valuation

The liabilities included within the valuation scope are current liabilities, which include tax payable and other payables. The Valuer verified the book value based on the breakdown of items and relevant financial information provided by the company, and shall determine the valuation based on the verified book value or the actual liabilities borne by the company, amounting to RMB15,632,557.89.

VALUATION RESULT AND APPRECIATION ANALYSIS

A Summary of the Target Company's valuation results are set out as below:

Unit: RMB0'000

Item		Carrying amount A	Appraised value B	Change C=B-A	Appreciation rate% D=C/A×100
Current assets	1	51.30	51.30	0.00	0.00
Non-current assets	2	4,478.93	4,588.27	109.34	2.44
Among which: Available-for-sale financial assets	3	–	–	–	–
Held-to-maturity investments	4	–	–	–	–
Long-term receivables	5	–	–	–	–
Long-term equity investments	6	–	–	–	–
Other equity instrument investments	7	–	–	–	–
Other non-current financial assets	8	–	–	–	–
Investment properties	9	–	–	–	–
Property, plant and equipment	10	–	–	–	–
Construction in progress	11	1,820.58	1,650.89	(169.68)	(9.32)
Engineering materials	12	–	–	–	–
Fixed assets pending disposal	13	–	–	–	–
Productive biological assets	14	–	–	–	–
Oil and gas assets	15	–	–	–	–
Right-of-use assets	16	–	–	–	–
Intangible assets (land use rights)	17	2,658.35	2,937.38	279.03	10.50
Development expenditures	18	–	–	–	–
Goodwill	19	–	–	–	–
Long-term prepaid expenses	20	–	–	–	–
Deferred tax assets	21	–	–	–	–
Other non-current assets	22	–	–	–	–
Total assets	**23**	4,530.23	4,639.57	109.34	2.41
Current liabilities	24	1,563.26	1,563.26	0.00	0.00
Non-current liabilities	25	–	–	–	–
Total liabilities	**26**	1,563.26	1,563.26	0.00	0.00
Net assets	**27**	2,966.97	3,076.32	109.34	3.69

Based on the asset-based approach, the Target Company recorded a net asset book value of RMB29,669,700 as at the valuation benchmark date. The appreciated value is RMB30,763,200, representing an valuation appreciation of RMB1,093,400 or an appreciation rate of 3.69%. The reasons for the appreciation of appraised value are as follows:

(i) Current assets have no valuation change, where the absence of appreciation was due to the Valuer's verification of relevant vouchers and bank statements etc., and the verified book value was adopted as the appraised value;

(ii) The valuation depreciation on construction-in-progress was RMB1,696,821.84. The reason for the depreciation was that, as the land amortisation expense had already been assessed under the intangible assets – land use rights account, the corresponding portion of such expense for construction-in-progress was 0;

(iii) Intangible assets (land use rights) appreciated by RMB2,790,259.34, representing an appreciation rate of 10.50%. The appreciation was attributable to the decrease in the carrying amount due to the amortisation of land use rights, and the price of lands in Shanghai for R&D uses have risen in recent years.

Current liabilities have no valuation change, where the absence of appreciation was due to the Valuer who verified the book value based on the breakdown of items and relevant financial information provided by the company, and determined the valuation based on the verified book value.

KEY ASSUMPTIONS

In determining the market value of the entire equity interest of the Target Company, the following key assumptions have been made:

(i) General assumptions

(a) *Going concern assumption.* It is assumed that, after the benchmark date, the assessed entity will continue to operate as a going concern, and all assets of the assessed entity will remain, and can be used, on an ongoing basis;

(b) *Transaction assumption.* It is assumed that all assets to be appraised are already in the process of being traded, and the valuation is performed based on simulated market conditions including, without limitation, the trading conditions of the assets to be appraised; and

(c) *Open market assumption.* It is assumed that the parties to a trading or proposed trading of an asset in a market are on equal footing with each other, and that each party to the asset transaction has had the opportunity and time to obtain sufficient market information to enable it to make a reasonable judgement as to the asset's function, use and transaction price. The open market assumption is on the basis that the asset can be openly traded in the market.

(ii) Specific assumptions

(a) It is assumed that there are no material changes as to the currently effective laws, regulations, policies and macroeconomic environment of the PRC, and as to the political, economic and social environments of the regions where the parties to the transaction reside;

(b) It is assumed that there will be no material changes as to the relevant interest rates, exchange rates, tax bases and tax rates as well as policy-based levies;

(c) It is assumed that the scope and manner of operation of the assessed entity will remain consistent with the current direction on the basis of the existing management style and management level. The management of the assessed entity is responsible and capable of performing its duties, and the core management members are stable and have no significant adverse change. In addition, it is assumed that the assessed entity is in full compliance with all relevant laws and regulations;

(d) It is assumed that the no changes occur in the market access requirements for the relevant qualifications, the specific administrative licenses, franchise operation rights, and other qualifications of the assessed entity can be renewed upon expiration;

(e) It is assumed that the accounting policies to be adopted by the assessed entity in the future are generally consistent in material respects with the accounting policies adopted by the assessed entity when preparing the valuation report; and

(f) It is assumed that there are no other force majeure factors and unforeseeable factors that have a significant adverse impact on the assessed entity.

REGARDING THE REASONABLENESS OF THE VALUATION BENCHMARK DATE

According to the relevant provisions of the "Asset Valuation Practice Standards– Asset Valuation Report" issued by the China Appraisal Society, the validity period of the Target Company Valuation Report is one year from the Valuation Benchmark Date. The Company adopted the Target Company Valuation Report with a Valuation Benchmark Date of November 30, 2025, as the pricing basis for this transaction, primarily based on the following factors:

(i) The Valuation Benchmark Date is proximate to the date of the Equity Transfer Agreement (i.e. March 25, 2026). From the Valuation Benchmark Date to the date of the Equity Transfer Agreement, there were no material changes to the business operations of the Target Company, nor were there any significant changes concerning the Target Company that would have a specific impact on the valuation. There also were no material changes in the external market environment affecting the Target Company;

(ii) Based on the current circumstances, there have been no significant changes to the assumptions underlying the asset-based approach and market approach valuations of the target asset. These assumptions remain substantially consistent with those in the Target Company's Valuation Report;

(iii) No significant subsequent events have occurred that would affect the Target Company's ongoing operational stability, representing the pricing basis for the Target Company's Valuation Report remain unchanged.

Under the aforementioned circumstances, the Board (including the independent non-executive directors) is of the view that adopting the valuation results from the Target Company Valuation Report as the pricing basis for this transaction remains fair and reasonable. This approach is in the best interests of the Company and its shareholders and will facilitate the prompt advancement and completion of this transaction.