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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB7,187.7 million in 2025, representing a year-on-year decrease of 5.1%, primarily due to a decrease in revenue from nuclear medicine equipment caused by delay in the centralized procurement of Class A large scale medical equipment.
- Net profit amounted to RMB664.5 million, representing a year-on-year decrease of 24.4%. Net profit attributable to the parent company amounted to RMB327.4 million, representing a year-on-year decrease of 19.5%. Excluding the impact of additional tax and late payment penalties paid by a subsidiary, net profit attributable to the parent company amounted to RMB457.4 million, representing a year-on-year increase of 12.5%.
- The Board has recommended the payment of a final cash dividend of RMB0.2264 per Share (inclusive of tax and excluding the interim dividend of RMB0.0807 per Share for the year 2025).

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of China Isotope & Radiation Corporation (the “**Company**” or “**CIRC**”, together with its subsidiaries, the “**Group**” or “**we**”) is pleased to announce the consolidated financial statements of the Group for the year ended 31 December 2025 (“**2025**” or the “**Reporting Period**”) audited by SHINEWING (HK) CPA Limited, the Company’s auditor, together with the comparative figures for the same period of 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2025
(Expressed in Renminbi (“RMB”))

| | <i>Notes</i> | 2025 RMB’000 | 2024 <i>RMB’000</i> |
|--|--------------|-------------------------------|------------------------|
| Revenue | 4 | 7,187,661 | 7,574,756 |
| Cost of sales | | (3,566,063) | (3,891,924) |
| Gross profit | | 3,621,598 | 3,682,832 |
| Other income, gains and losses | 5 | 112,430 | 77,518 |
| Selling and distribution expenses | | (1,449,247) | (1,623,621) |
| Administrative expenses | | (879,811) | (704,520) |
| Research and development costs | | (301,915) | (300,286) |
| Impairment losses on trade and other receivables | | (44,469) | (45,541) |
| Profit from operations | | 1,058,586 | 1,086,382 |
| Finance costs | 6(a) | (71,014) | (48,423) |
| Share of losses of associates | | (13,099) | (14,088) |
| Share of profits of joint ventures | | 29,651 | 21,353 |
| Profit before taxation | 6 | 1,004,124 | 1,045,224 |
| Income tax expense | 7 | (339,580) | (165,687) |
| Profit for the year | | 664,544 | 879,537 |
| Attributable to: | | | |
| Equity shareholders of the Company | | 327,425 | 406,645 |
| Non-controlling interests | | 337,119 | 472,892 |
| Profit for the year | | 664,544 | 879,537 |
| Earnings per share: | | | |
| Basic and diluted (RMB) | 8 | 1.02 | 1.27 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in RMB)

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Profit for the year | 664,544 | 879,537 |
| Other comprehensive income (expense) for the year (after tax and reclassification adjustments) | | |
| Items that will not be reclassified to profit or loss: | | |
| Remeasurement of net defined benefit liability | 2,330 | (14,645) |
| Equity investments at FVOCI-net movement in fair value reserve (non-recycling) | <u>(4,550)</u> | <u>10,606</u> |
| Other comprehensive expense for the year | <u>(2,220)</u> | <u>(4,039)</u> |
| Total comprehensive income for the year | <u>662,324</u> | <u>875,498</u> |
| Attributable to: | | |
| Equity shareholders of the Company | 324,753 | 406,256 |
| Non-controlling interests | <u>337,571</u> | <u>469,242</u> |
| Total comprehensive income for the year | <u>662,324</u> | <u>875,498</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in RMB)

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| <i>Notes</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Non-current assets | | |
| Property, plant and equipment | 4,644,489 | 4,328,121 |
| Investment properties | 22,441 | 49,566 |
| Intangible assets | 445,716 | 320,363 |
| Goodwill | 77,406 | 81,526 |
| Interests in associates | 120,296 | 93,415 |
| Interests in joint ventures | 505,052 | 477,453 |
| Long-term receivables | 50,615 | 51,148 |
| Unquoted equity investments | 179,095 | 162,545 |
| Deferred tax assets | 335,589 | 284,922 |
| | <u>6,380,699</u> | <u>5,849,059</u> |
| Current assets | | |
| Inventories | 1,347,153 | 787,185 |
| Contract assets | 5,659 | 58,787 |
| Trade and bill receivables | 4,883,904 | 4,922,128 |
| Deposits and other receivables | 304,751 | 294,677 |
| Prepayments | 202,865 | 206,171 |
| Cash at bank and on hand | 2,591,226 | 2,649,354 |
| | <u>9,335,558</u> | <u>8,918,302</u> |
| Current liabilities | | |
| Bank loans | 896,293 | 940,725 |
| Trade payables | 719,016 | 791,481 |
| Accruals and other payables | 3,493,400 | 3,097,491 |
| Lease liabilities | 27,524 | 26,023 |
| Provisions | 74,729 | 92,084 |
| Income tax payable | 79,916 | 75,577 |
| | <u>5,290,878</u> | <u>5,023,381</u> |
| Total current liabilities | <u>5,290,878</u> | <u>5,023,381</u> |
| Net current assets | <u>4,044,680</u> | <u>3,894,921</u> |
| Total assets less current liabilities | <u>10,425,379</u> | <u>9,743,980</u> |

| | 31 December 2025 RMB'000 | 31 December 2024 RMB'000 |
|--|---|--------------------------------|
| Non-current liabilities | | |
| Bank loans | 1,247,338 | 1,049,474 |
| Corporate bonds | 499,538 | 499,287 |
| Deferred income | 184,594 | 123,322 |
| Lease liabilities | 54,910 | 52,728 |
| Defined benefit retirement obligation | 53,883 | 55,125 |
| Deferred tax liabilities | 6,203 | 7,625 |
| Provisions | 172,772 | 153,800 |
| Other long-term payables | 72,675 | 58,024 |
| | <u>2,291,913</u> | <u>1,999,385</u> |
| Total non-current liabilities | <u>2,291,913</u> | <u>1,999,385</u> |
| Net assets | <u>8,133,466</u> | <u>7,744,595</u> |
| Capital and reserves | | |
| Share capital | 319,875 | 319,875 |
| Reserves | 4,906,890 | 4,685,426 |
| | <u>5,226,765</u> | <u>5,005,301</u> |
| Total equity attributable to equity shareholders of the Company | <u>5,226,765</u> | <u>5,005,301</u> |
| Non-controlling interests | <u>2,906,701</u> | <u>2,739,294</u> |
| | <u>8,133,466</u> | <u>7,744,595</u> |
| Total equity | <u>8,133,466</u> | <u>7,744,595</u> |

1. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and amendments to IFRS Accounting Standard that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods and reflected in these consolidated financial statements.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group’s interests in associates and joint ventures.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the equity investments are stated at their fair value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standard requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standard issued by the IASB which are effective for the Group’s financial year beginning on 1 January 2025:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in research, development, manufacturing and sale of a broad range of nuclear medicines (formerly known as pharmaceuticals) and radioactive source products, also design, manufacturing, construction and installation of gamma ray irradiation facilities, provision of irradiation service for sterilisation purpose, technical services, sales of medical devices and sale of nuclear medical equipment (formerly known as radiation therapy equipment).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Disaggregated by major products of service lines | | |
| – sales of nuclear medicines | 4,019,727 | 4,167,606 |
| – sales of radioactive source products | 732,237 | 632,822 |
| – sales of nuclear medical equipment | 230,627 | 912,477 |
| – sales of medical device | 1,057,949 | 801,650 |
| – irradiation services | 173,466 | 172,788 |
| – technical services | 599,372 | 552,522 |
| – revenue from construction contracts | 37,078 | 67,706 |
| – others | 337,205 | 267,185 |
| | <u>7,187,661</u> | <u>7,574,756</u> |

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(b).

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue in 2025 and 2024.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately RMB31,550,000 (2025: nil). This amount mainly represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur within the next 12 months.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contracts that had an original expected duration of one year or less.

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

The Group manages its businesses by divisions, which are mainly organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Nuclear medicines: manufacturing and sale of a range of imaging diagnostic and therapeutic radio pharmaceuticals imaging, UBT diagnostic kits and test analysers and other products.
- Radioactive source products: sale of medical and industrial radioactive source products and technical services.
- Irradiation: provision of irradiation services to manufacturers of medical facilities, pharmaceuticals, cosmetics and food in the PRC for sterilisation purposes, and also design, manufacturing and installation of gamma ray irradiation facilities to irradiation service providers and technical services.
- Nuclear medical equipment and related services: sale of nuclear medical equipments and provision of related maintenance services.
- Other businesses: provision of a full range of services for the users, including services such as trade services for nuclear technology industry applications, medical product applications, technical services and sales of medical devices.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources among segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. The Group's other income and expense items, and assets and liabilities, are not measured under individual segments. Accordingly, no information on segment assets and liabilities are presented.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

| | Year ended 31 December 2025 | | | | | |
|---|-----------------------------------|---|-------------------------------|--|---------------------------------------|-------------------------|
| | Pharmaceuticals <i>RMB'000</i> | Radioactive source products <i>RMB'000</i> | Irradiation <i>RMB'000</i> | Radiation therapy equipment and related services <i>RMB'000</i> | Other businesses <i>RMB'000</i> | Total <i>RMB'000</i> |
| Disaggregated by timing of revenue recognition | | | | | | |
| Point in time | 4,019,727 | 804,689 | 173,466 | 230,627 | 1,423,838 | 6,652,347 |
| Over time | - | - | 11,191 | 370,701 | 153,422 | 535,314 |
| Revenue from external customers | 4,019,727 | 804,689 | 184,657 | 601,328 | 1,577,260 | 7,187,661 |
| Inter-segment revenue | 333 | 30,963 | 6,645 | 221 | 24,660 | 62,822 |
| Reportable segment revenue | 4,020,060 | 835,652 | 191,302 | 601,549 | 1,601,920 | 7,250,483 |
| Reportable segment profit (gross profit) | 2,820,358 | 420,214 | 107,088 | 155,863 | 140,503 | 3,644,026 |
| | Year ended 31 December 2024 | | | | | |
| | Pharmaceuticals <i>RMB'000</i> | Radioactive source products <i>RMB'000</i> | Irradiation <i>RMB'000</i> | Radiation therapy equipment and related services <i>RMB'000</i> | Other businesses <i>RMB'000</i> | Total <i>RMB'000</i> |
| Disaggregated by timing of revenue recognition | | | | | | |
| Point in time | 4,167,606 | 716,082 | 172,788 | 912,476 | 1,096,566 | 7,065,518 |
| Over time | - | - | 12,270 | 310,485 | 186,483 | 509,238 |
| Revenue from external customers | 4,167,606 | 716,082 | 185,058 | 1,222,961 | 1,283,049 | 7,574,756 |
| Inter-segment revenue | 3,462 | 29,730 | 15,275 | 8,420 | 22,783 | 79,670 |
| Reportable segment revenue | 4,171,068 | 745,812 | 200,333 | 1,231,381 | 1,305,832 | 7,654,426 |
| Reportable segment profit (gross profit) | 2,919,778 | 318,962 | 101,774 | 223,130 | 138,880 | 3,702,524 |

(ii) Reconciliations of reportable segment profit (gross profit)

| | 2025 | 2024 |
|--|------------------|-----------|
| | RMB'000 | RMB'000 |
| Reportable segment profit (gross profit) | 3,644,026 | 3,702,524 |
| Elimination of inter-segment profit (gross profit) | (22,428) | (19,692) |
| Consolidated gross profit | 3,621,598 | 3,682,832 |

(iii) Geographic information

All of the Group's operations are carried out and most of the Group's customers are located in the PRC. The Group's non-current assets, including property, plant and equipment, investment property, lease prepayments and intangible assets are all located or allocated to operations located in the PRC.

5. OTHER INCOME, GAINS AND LOSSES

| | 2025 | 2024 |
|--|----------------|----------|
| | RMB'000 | RMB'000 |
| Bank interest income | 17,296 | 29,617 |
| Government grants | 58,076 | 50,592 |
| Dividend income on unquoted equity investments | 20,083 | 4,470 |
| Rental and related income from operating leases | 4,081 | 787 |
| Gain on early termination of a lease | 80 | 160 |
| Technical services income | 4,796 | 9,097 |
| Net foreign exchange loss | (7,819) | (9,438) |
| Net gain (loss) on disposal of property, plant and equipment | 1,158 | (197) |
| Net loss on write-off of intangible assets | (224) | (3) |
| Loss on disposal of an associate | (796) | (19,337) |
| Gain on deemed disposal of a subsidiary | 8,401 | – |
| Others | 7,298 | 11,770 |
| | 112,430 | 77,518 |

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Interests on bank loans | 59,823 | 52,551 |
| Interests on corporate bonds | 11,657 | 2,172 |
| Factoring costs on trade receivables | 5,830 | – |
| Less: interest expense capitalised into construction progress | <u>(16,434)</u> | <u>(16,429)</u> |
| | 60,876 | 38,294 |
| Interests on discounted bills | 49 | 9 |
| Interests on lease liabilities | 2,860 | 2,650 |
| Interests accretion on reclamation obligations, net | 5,610 | 5,850 |
| Interests cost on defined benefit retirement plans | 1,135 | 1,218 |
| Interests cost on long-term payables | <u>484</u> | <u>402</u> |
| | <u>71,014</u> | <u>48,423</u> |

The borrowing costs have been capitalised at 2.85% (2024: 2.82%) per annum.

(b) Staff costs

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Salaries, wages and other benefits | 773,939 | 791,391 |
| Contributions to defined contribution retirement plans | 105,132 | 93,714 |
| Expenses recognised in respect of defined benefit retirement plans | <u>1,274</u> | <u>919</u> |
| | <u>880,345</u> | <u>886,024</u> |

Employees of the Company's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Company's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(c) **Other items**

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Depreciation | | |
| – property, plant and equipment | 235,165 | 217,920 |
| – investment properties | 10,450 | 6,562 |
| Amortisation | | |
| – intangible assets (<i>Note (i)</i>) | 18,923 | 20,397 |
| Impairment losses recognised/(reversed) | | |
| – interests in associates | 6,546 | – |
| – trade and bill receivables | 36,170 | 29,541 |
| – contract assets | (1,872) | 2,363 |
| – deposits and other receivables | 11,417 | 16,000 |
| Auditors' remuneration | | |
| – audit services | 1,850 | 1,950 |
| – non audit services | 240 | 43 |
| (Decrease)/increase in provisions for reclamation obligations | (3,993) | 13,994 |
| Cost of inventories (<i>Note (ii)</i>) | <u>3,265,383</u> | <u>3,687,920</u> |

Notes:

- (i) Amortisation of intangible assets is included in cost of sales, selling and distribution expenses, research and development costs, administrative expenses and capitalised to inventories and construction in progress of approximately RMB3,469,000 (2024: RMB2,307,000), RMB731,000 (2024: RMB1,013,000), RMB2,716,000 (2024: RMB4,797,000), RMB12,007,000 (2024: RMB12,280,000) and RMB5,657,000 (2024: RMB143,000) respectively.
- (ii) Cost of inventories includes approximately RMB468,207,000 (2024: RMB454,128,000) relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7. INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Current tax | | |
| Provision for the year | 211,084 | 204,580 |
| Under-provision in respect of prior years | <u>188,507</u> | <u>27,789</u> |
| | 399,591 | 232,369 |
| Deferred tax | | |
| Origination and reversal of temporary differences | <u>(60,011)</u> | <u>(66,682)</u> |
| | <u>339,580</u> | <u>165,687</u> |

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately RMB327,425,000 (2024: RMB406,645,000) and the weighted average of 319,874,900 ordinary shares (2024: 319,874,900 ordinary shares).

The Company did not have any potential dilutive shares in existence during the years ended 31 December 2025 and 2024. Accordingly, diluted earnings per share is the same as basic earnings per share.

9. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Final dividend proposed after the end of the reporting period of RMB22.64 cents per ordinary share (2024: RMB30.9 cents per ordinary share) | <u>72,420</u> | <u>98,841</u> |
| Interim dividend proposed after the end of the interim period, of RMB8.07 cents per ordinary share (2024: RMB7.24 cents per ordinary share) | <u>25,814</u> | <u>23,159</u> |

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Final dividend in respect of the previous financial year, approved and paid during the year, of RMB30.90 cents per share (2024: RMB31.31 cents per share) | <u>98,841</u> | <u>100,153</u> |

(iii) Dividends payable to equity shareholders of the Company attributable to the current interim period, approved and paid during the year

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Interim dividend in respect of the current interim period, approved and paid during the year, of RMB8.07 cents per share (2024: RMB7.24 cents per share) | <u>25,814</u> | <u>23,159</u> |

10. TRADE AND BILL RECEIVABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|-------------------------|-------------------------|
| Bill receivables | 302,291 | 105,453 |
| Trade receivables due from | | |
| – Related parties under CNNC | 40,559 | 67,432 |
| – associates and joint ventures | 13,564 | 23,676 |
| – third parties | 4,788,888 | 4,958,561 |
| | <u>5,145,302</u> | <u>5,155,122</u> |
| Less: loss allowance for expected credit loss | <u>(261,398)</u> | <u>(232,994)</u> |
| | <u>4,883,904</u> | <u>4,922,128</u> |

As at 31 December 2025, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB5,145,302,000 (31 December 2024: RMB5,155,122,000).

Aging analysis

The aging analyses of trade and bill receivables, based on the invoice dates and net of loss allowance, are as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------|-------------------------|-------------------------|
| Within 1 year | 3,870,272 | 4,164,294 |
| 1 to 2 years | 836,725 | 589,784 |
| 2 to 3 years | 145,224 | 122,553 |
| Over 3 years | 31,683 | 45,497 |
| | <u>4,883,904</u> | <u>4,922,128</u> |

The Group granted credit term on a case by case basis and trade and bills receivables are required to be settled in accordance with credit terms as stipulated in the contract and invoice due to issuance.

11. TRADE PAYABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------------------------|------------------------|------------------------|
| Trade payables due to | | |
| – related parties under CNNC | 131,601 | 43,974 |
| – associates and joint ventures | 5,412 | 4,920 |
| – third parties | 582,003 | 742,587 |
| | <u>719,016</u> | <u>791,481</u> |

(a) Aging analysis

As of the end of the reporting period, the aging analyses of trade payables, based on the invoice dates, are as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------|------------------------|------------------------|
| Within 1 year | 488,390 | 597,314 |
| 1 to 2 years | 163,847 | 170,032 |
| 2 to 3 years | 47,812 | 15,281 |
| over 3 years | 18,967 | 8,854 |
| | <u>719,016</u> | <u>791,481</u> |

All of the trade payables are usually for settlement within one year or are repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Focusing on the two major industrial directions of nuclear healthcare and irradiation application, the Group is committed to providing integrated solutions for nuclear medicine and radiotherapy, as well as radiation technology promotion and application. The Group is primarily engaged in the research, development, manufacturing and sale of nuclides, diagnostic and therapeutic radiopharmaceuticals and radioactive source products for medical and industrial applications, the provision of irradiation service for sterilization purpose, material modification and engineering, procurement and construction (“EPC”) service for the design, manufacturing and installation of irradiation facilities and the provision of nuclear medical equipment and construction service of nuclear medicine department to hospitals and other medical institutions.

BUSINESS REVIEW

For the year ended 31 December 2025, we operated five business segments, namely nuclear medicines, radioactive source products, irradiation, nuclear medical equipment and related services and other businesses. In 2025, we continued to intensify our market development efforts and pushed forward under pressure. For the year of 2025, we recorded revenue of RMB7,187.7 million, representing a year-on-year decrease of 5.1%, which was primarily due to a decrease in revenue from nuclear medicine equipment caused by delay in the centralized procurement of Class A large-scale medical equipment, realised net profit of RMB664.5 million, representing a year-on-year decrease of 24.4%, with net profit attributable to the parent company achieving RMB327.4 million, representing a year-on-year decrease of 19.5% which was primarily due to the additional tax and late payment penalties paid by Zhonghe Headway.

BUSINESS SEGMENTS

1. *Nuclear medicines*

The Group is a leading manufacturer of diagnostic and therapeutic radiopharmaceuticals in China, primarily engaged in the research, development, manufacturing and sale of a wide range of imaging diagnostic and therapeutic radiopharmaceuticals, Urea Breath Test (UBT) kits and analyzers in the domestic market.

During the Reporting Period, the Group adhered to the strategic development plan of each business segment. In respect of nuclear medicines segment, it provided a stable supply of radiopharmaceuticals to domestic medical institutions. Nuclides therapy represents the profound integration of nuclear technology and medicine. During the Reporting Period, the Group strengthened its collaboration with national-level academic societies to promote outreach at the grassroots level, organizing or participating in over 190 academic conferences throughout the year, and National Atomic Energy Agency Research and Development Center for Nuclear Technology (Radiopharmaceutical Engineering Transformation) (authorized to be operated and managed by HTA Co., Ltd., a subsidiary of the Group) jointly initiated the “Special Action Project of Nuclides Therapy Foundation Enhancement and Efficiency Improvement” (核素治療工作強基提效專項行動項目) with the Nuclear Medicine Doctor Branch of Chinese Medical Doctor Association, aiming to enhance the nuclides targeted therapy at the grassroots level and increase the recognition and influence of nuclear medicine in treatment through various measures, including talent training, standardized treatment guidance, MDT collaboration for specific diseases, clinical science popularization, collaboration on the clinical translation of radiopharmaceuticals, restudy of clinical issues, and regional information sharing and collaboration. The project has been successfully launched in multiple hospitals since April 2025.

During the Reporting Period, the Group deepened its focus on the breath diagnostics sector, earning honors including the National Manufacturing Single Champion. The Group participated in 60 key industry academic conferences, delivering the core clinical value of its products, solidifying brand endorsement, and enhancing market influence. Concurrently, it actively fulfilled its social responsibilities, conducting over 720 public welfare activities to promote awareness of the necessity of Hp testing. These efforts reinforced public understanding of the core clinical value of Hp testing in gastric cancer prevention and control, demonstrating the Group's sense of responsibility and mission as a central state-owned enterprise.

During the Reporting Period, the Group recorded RMB4,019.7 million in revenue from sales of nuclear medicines, representing a year-on-year decrease of 3.5%, recorded RMB1,817.6 million in revenue from imaging diagnostic and therapeutic radiopharmaceuticals, representing a year-on-year increase of 3.8%, and the company continues to strengthen its marketing efforts, and the revenue of fluorine medicine increased by 33.3% year-on-year. In terms of breath test, it recorded RMB2,123.6 million in revenue, representing a year-on-year decrease of 9.6% which was primarily due to the decrease in product prices resulting from medical centralized procurement.

2. *Radioactive source products*

The Group is a major manufacturer of medical and industrial radioactive source products in China and also a radioactive source producer with a most complete range of radioactive source product offerings in China, primarily engaged in the research, development, manufacturing and sale of various medical and industrial radioactive sources products as well as provision of related technical services.

During the Reporting Period, gamma knife source and non-destructive testing radioactive source continued to maintain a stable and high market share. The first phase of Jiajiang radioactive source base was completed and put into operation, while the application for the radiation safety license in the second phase was submitted.

During the Reporting Period, the Group recorded RMB804.7 million in revenue from radioactive source products, representing a year-on-year increase of 12.4%, mainly due to the significant growth of industrial sources, of which the revenue of radiation sources was RMB257.4 million, representing a year-on-year increase of 9.9%; the revenue of the startup neutron sources was RMB176.9 million, representing a year-on-year increase of 45.1%.

3. Irradiation

In the field of irradiation processing, the Group continued to provide the manufacturers of medical devices, food, traditional Chinese medicine and cosmetics for professional sterilization in China, as well as EPC services related to the design, manufacturing and installation of irradiation centers and irradiation facilities. Meanwhile, the Group actively expanded its operation in the fields of radiation resistance testing, new irradiated materials and radiation curing.

During the Reporting Period, the Group actively expanded its presence in both domestic and international markets. Its subsidiary, BINE High-Tech Co., Ltd., continued advancing the construction of BINA irradiation center project in Dhaka, Bangladesh, thereby consolidating its capability to deliver irradiation technology services across South Asia. The Group accelerated deployment of key domestic fixed-asset investment projects. The main structure of Tianjin irradiation project was completed, enhancing irradiation service network coverage across the Beijing-Tianjin-Hebei region, Yangtze River Delta, Northeast and Southwest China.

During the Reporting Period, the Group recorded RMB184.7 million in revenue from irradiation-related business, basically flat year-on-year, among them, revenue from irradiation services rose by 3.2% year-on-year.

4. Nuclear medical equipment and related services

During the Reporting Period, the Group accelerated domestic manufacturing process of high-end radiotherapy equipment. During the Reporting Period, the Group's product, "X-ray Stereotactic Radiosurgery System (including CyberKnife)", secured 19 and 8 configuration permits respectively in the two rounds of Class A high-end radiotherapy equipment configuration permits announced by the National Health Commission. This represented a cumulative share of 73%, further consolidating the Company's leading position in the high-end radiotherapy equipment sector. The Group's other core product, Tomo C, achieved increasing market recognition during the Reporting Period through notable technological breakthroughs and robust brand influence. It secured multiple major projects, further expanding its market share. Furthermore, the localization rate of series of models of the Gamma-ray Stereotactic Radiotherapy System has been steadily enhanced. Addressing clinical demands for high-precision radiotherapy, the Group initiated and promoted preparatory research into MR-guided head gamma knives and real-time image-guided adaptive gamma knives.

During the Reporting Period, the Group recorded RMB601.3 million in revenue from nuclear medical equipment and related services, representing a year-on-year decrease of 50.8% which was primarily due to the delay in the centralized procurement of Class A large-scale medical equipment.

5. Other businesses

In order to provide users with a full range of services, the Group also provides trade and other services in relation to nuclear technology industry applications and medical product applications. We primarily provide users with trade and processing services in relation to imported radioactive source, medical nuclides, imported radiopharmaceuticals and other products. The Group actively promotes the cooperation with international pharmaceutical companies to introduce advanced radiopharmaceuticals, intensive management services for hospital consumables, and import and export trade of medical devices. During the Reporting Period, the market launch of the novel medical radioisotope terbium-161, with exclusive agency rights secured, signified a pivotal breakthrough for CIRC in the domestic production and market application of high-end medical nuclides. Carbon-14 has been successfully produced in batches and at scale, with a stable market supply capability.

During the Reporting Period, revenue from trade services and other businesses of the Group was RMB1,577.3 million, representing a year-on-year increase of 22.9%.

The table below sets forth our revenue by business segment in 2025 and 2024:

| <i>(RMB in million, except for percentage)</i> | Year ended 31 December 2025 | | Year ended 31 December 2024 | |
|---|--|---------------------|--|--------------|
| | Amount | % | Amount | % |
| Nuclear medicines | 4,019.7 | 55.9 | 4,167.6 | 55.0 |
| Radioactive source products | 804.7 | 11.2 | 716.1 | 9.5 |
| Irradiation | 184.7 | 2.6 | 185.1 | 2.4 |
| Nuclear medical equipment and related services | 601.3 | 8.4 | 1,223.0 | 16.1 |
| Other businesses | 1,577.3 | 21.9 | 1,283.0 | 17.0 |
| Total | <u>7,187.7</u> | <u>100.0</u> | <u>7,574.8</u> | <u>100.0</u> |

Marketing

During the Reporting Period, the Group continued to promote brand building and marketing. In November 2025, the Group, as the main organizer, launched an integrated nuclear technology application solution at the Second Nuclear Technology Application Industry Chain Co-linking Action Conference (第二屆核技術應用產業鏈共鏈行動大會) held in Nanning, Guangxi. Participation in events such as the Asia-Europe Expo, various medical equipment exhibitions and academic conferences enabled the comprehensive demonstration of the Company's technical capabilities and innovative achievements in nuclear technology application through exhibitions, thematic presentations, academic seminars and others. Regarding marketing system reform, the Group progressively established a market development system centered on end-customer engagement, with a trinity system as a core comprising brand promotion, channel development and after-sales service.

The Group focused on promoting the coordinated development of nuclear medicines, radioactive sources and nuclear medical equipment businesses, and comprehensively enhancing the quality of development and safety standards. In order to promote the implementation of the "Healthy China Strategy", the Group continued to promote the strategic cooperation with the Nuclear Medicine Branch of the Chinese Medical Association, jointly advancing a demonstration project for the promotion of nuclear medicine diagnosis and treatment. A total of 11 nuclear medicine demonstration projects in primary hospitals were set up during the Reporting Period, and the acceptance and licensing of the nuclear medicine departments were completed in 4 primary hospitals, helping the development of nuclear medicine at the grassroots level.

International Business

During the Reporting Period, the Group robustly explored the international market and exported radiopharmaceuticals, breath diagnostic, radioactive source, medical equipment and devices, irradiation application as well as other products and services to dozens of countries and regions such as Brazil, Peru, Kyrgyzstan, Belarus, Nigeria, Indonesia, Bangladesh and Thailand.

During the Reporting Period, the Group achieved breakthroughs in multiple international businesses. In 2025, two new irradiation stations were signed in Peru and Bangladesh, and a Memorandum of Understanding on Cooperation in the Isotope Field and an Intention Agreement for the Procurement of Irradiation Cobalt Sources were signed with the Brazilian National Nuclear Energy Commission. Breath diagnostic products secured a total of 12 registration certificates in Saudi Arabia, Germany, Honduras, Nepal, Pakistan and other countries. Carbon-14 entered the high-end markets in Europe and the United States, radioactive sources were exported to Thailand for the first time, and the pharmaceutical production line project in Malaysia successfully passed factory acceptance and entered the trial operation stage.

During the Reporting Period, the Group participated in several world-class industry exhibitions and academic conferences, including the International Atomic Energy Agency (IAEA) Conference on the Scientific Application of Radiation Technology, China-Gulf Cooperation Council Forum on the Peaceful Use of Nuclear Technology (中國—海灣阿拉伯國家合作委員會和平利用核技術論壇) and the French Nuclear Industry Exhibition. It co-organized IAEA regional training in the field of nuclear medicine with Peking Union Medical College Hospital. In addition, the Group provided technical support multiple times in foreign aid training in nuclear medicine and radiation application, and actively promoted the fulfillment of the IAEA collaboration center, ensuring a steady improvement in international operation.

Scientific Research and Innovation

The Group is committed to innovation in the medical and industrial applications of nuclear technology, actively developing novel nuclides, nuclear medicines and nuclear medical equipment, filling gaps in related fields in China and accelerating the fulfilment of public demand for healthcare and a better life. In 2025, high-abundance carbon-13 monoxide gas and carbon-13 urea products were formally launched, achieving independent control over the entire industrial chain from key raw materials to end products. The first batch of commercially C-14 barium carbonate products produced in reactor was launched, establishing a complete industrial chain for carbon-14 isotopes from independent R&D and production to commercial supply. By collaborating with upstream and downstream partners, the Group established a full industrial chain technology for preparing iodine-131 from enriched tellurium-130 target material irradiation, and submitted marketing registration application for 50mg carbon-13 urea kit. Six nuclear medicines including lutetium-177 oxyoctreotide injection undergo Phase III clinical trials; clinical trial application for boron neutron capture therapy drug has been approved by the National Medical Products Administration, and the first delivery of independently developed online thickness gauge has been achieved, with key technical indicators meeting the international advanced standards in the industrial inspection industry.

Patents and awards

During the Reporting Period, the Group achieved remarkable results in intellectual property, with 188 patent authorizations secured. As of 31 December 2025, the Group had 1,228 valid patents, including 264 invention patents, and its scientific and technological strength has been continuously enhanced. During the Reporting Period, there were 33 registered trademarks, 26 registered copyrights, 7 national standards and 6 group standards.

In terms of scientific and technological awards and honors, CNGT's Breakthroughs and Demonstration Application of Key Technologies for Reactor-irradiated Iodine-131 Nuclide in the Diagnosis and Treatment of Thyroid Diseases (《堆照碘 131 核素在甲狀腺疾病診療中關鍵技術突破及示範應用》) received the Third Prize of the Sichuan Provincial Science and Technology Progress Award. CNNC Tongyuan's Research, Development and Industrialisation of Low-Temperature Distillation Enrichment Technology for High-Abundance ^{13}CO (《低溫精餾富集高豐度 ^{13}CO 技術研發及產業化》) was awarded the First Prize of the CNNC Science and Technology Award. HTA's Research on Key Production Technologies for Critical Accelerator Nuclide ^{89}Zr and ^{103}Pd (《重要加速器核素 ^{89}Zr 、 ^{103}Pd 關鍵製備技術的研究》) received the Second Prize of the CNNC Science and Technology Award. The project Establishment of a Multimodal Nuclear Medicine Molecular Imaging System for Pediatric Neuroblastoma (《兒童神經母細胞瘤多模態核醫學分子影像體系的建立》), in which HTA participated, was awarded the First Prize of the Beijing Medical Science and Technology Award.

Diagnostic drugs

Diagnostic drugs for tumors

1. Pheochromocytoma diagnostic drug: iodine-131-MIBG injection can be used for the diagnosis of neuroendocrine tumors such as pheochromocytoma and neuroblastoma. The Group's product under development, iodine-131 – MIBG injection, has completed phase III clinical trial, and will provide a new diagnostic method for patients with such rare diseases after its marketing, and early and accurate diagnosis will enable patients to obtain better treatment opportunities.
2. Prostate cancer diagnostic drug: PSMA is an ideal tumor marker for prostate cancer. The development of radioactive targeted PSMA diagnostic (therapeutic) drugs is currently a hot spot of interest that the domestic and foreign radiopharmaceutical companies are concerned about and compete for. The combination of [¹⁸F]Florastamin and PSMA has a higher specificity and a higher safety profile. The Group has signed a joint development agreement with FutureChem in Korea to obtain the exclusive rights to develop, manufacture and market [¹⁸F]Florastamin injection in PRC. At present, the Group's product under development, [¹⁸F]Florastamin injection, is in Phase III clinical trial. It will fill the gap of radiodiagnostic drugs for prostate cancer in China after its marketing, realize independence and controllability, and improve the accessibility of drugs for patients in China.
3. Breast cancer sentinel lymph nodes imaging drug: technetium-99m sulfide colloid is the first technetium marked radiocolloid for lymph imaging, which is used for the location and tracing of breast cancer sentinel lymph nodes. The Group's products under development, sulfide colloid kit and technetium-99m sulfide colloidal injection, will benefit breast cancer patients and improve the prognosis of the patients in combination with the corresponding treatment.
4. High melanoma diagnostic drug: fluoropylamide [¹⁸F] injection (氟[¹⁸F]吡酰胺注射液) is a positron emission tomography (PET) imaging agent, which can quickly combine with melanoma in vivo, with good specificity and high sensitivity, significantly improve the accuracy of melanoma diagnosis and staging, and provide an accurate basis for clinical treatment decisions. Phase I clinical trial has been completed and the drug is a Class I innovative drug, which will provide a new solution for the accurate diagnosis of melanoma after its marketing.

Diagnostic drugs for neurodegenerative diseases

1. Alzheimer (AD) diagnostic drug: β -Amyloid ($A\beta$) is an important target for early diagnosis of AD. The development of positron emission tomography (PET) imaging agents with high affinity and selectivity with $A\beta$ protein can realize early non-invasive diagnosis of such disease. [^{18}F]Florbetazine injection is an $A\beta$ PET imaging agent jointly developed by the Group and the Key Laboratory of the Ministry of Education for Radiopharmaceuticals of Beijing Normal University, which has independent intellectual property rights and good imaging properties, and is a domestic Class I innovative drug. The Group's product under development, [^{18}F] Florbetazine injection, begins Phase III clinical trial. In the general environment of an aging society, the drug will produce good social benefits and economic value after its marketing.
2. Parkinsonism diagnostic drug: 6-fluorine-18-L dopa injection is used clinically for the diagnosis of nervous system diseases such as parkinsonism, schizophrenia and AD, and has clinical value for early diagnosis of disease, assessment of disease severity and cell transplantation detection. The Group's product under development, 6-fluorine-18-L dopa injection, begins Phase III clinical trial, and will fill the gap of domestic PET Parkinson's drugs after its marketing.

Helicobacter pylori (Hp) diagnostic drug

¹³C urea breath test is a non-invasive, accurate and safe method for diagnosing helicobacter pylori. The development of high-abundance and highly stable carbon-13 UBT diagnostic products enables the diagnosis of helicobacter pylori infection in the stomach. 50mg ¹³C urea breath test kit is a breath diagnostic product independently developed by Zhonghe Headway, featuring mature technology, stable performance and broad clinical applicability. The Company's 50mg ¹³C urea breath test kit has now completed clinical trials and clinical verification, and a formal application for drug registration has been submitted; the project is progressing smoothly. Against the backdrop of growing demand for public health management, once the product is approved for marketing, it will further consolidate the Company's leading position in the field of breath diagnostics, creating significant social benefits and economic value.

Integrated drug for diagnosis and treatment

Integrated drug for diagnosis and treatment for neuroendocrine tumor. Internationally, the use of ⁶⁸Ga-DOTATATE for PET/CT of neuroendocrine tumor has become the gold standard in imaging. ⁶⁸Ga-DOTATATE can also be used to evaluate the treatment effect of patients with neuroendocrine tumor. ¹⁷⁷Lu-DOTATATE is an effective drug in the treatment of neuroendocrine tumor. The Group's products under development, ⁶⁸Ga-DOTATATE injection and kits and lutetium-177 oxyoctreotide injection, are in Phase III clinical trial, which will greatly improve the efficiency of diagnosis and treatment of patients with neuroendocrine tumor after their marketing.

Therapeutic drug for tumor

Palladium – 103 sealed source is an in vivo implant for brachytherapy, suitable for the permanent implantation of solid tumors with low to neutral sensitivity to radiation, both for superficial, intra-thoracic and intra-abdominal solid tumors such as prostate cancer, pancreatic cancer, lung cancer, head and neck cancer, as well as for residual diseases and recurrent tumors after external radiation therapy. The Group's product under development, palladium-103 sealed source, has completed various pre-clinical studies.

Borofalan (¹⁰B) for injection of BNCT boron drug. Boron neutron capture therapy (BNCT) is an advanced drug-device combined tumor treatment technology that enables precise radiotherapy. The development of BNCT boron drugs with high tumor-targeting enrichment and high safety can provide a non-invasive and highly effective treatment option for recurrent or inoperable tumors. Borofalan (¹⁰B) for injection is a core BNCT therapeutic drug independently developed by Zhonghe Headway, featuring independent intellectual property rights, strong targeting ability and excellent safety. The product under development, borofalan (¹⁰B) for injection, has fully commenced Phase I clinical trial. Against the backdrop of growing demand for precise tumor treatment, the drug, once marketed, will fill a gap in the domestic market for high-end radiotherapy drugs, offering significant clinical value and broad market prospects.

Nuclides

The high-abundance carbon monoxide gas and carbon-13 urea products of the Group were formally launched, signifying independent control of the Company over the entire industrial chain from key raw materials to end products in the field of medical carbon stable isotopes. The first batch of commercially reactor-irradiated carbon-14 isotope product was launched, establishing a complete industrial chain from independent R&D and production to commercial supply. The Group introduced ITM Group's carrier-free lutetium-177 nuclide production technology, built the first domestic production line with an annual output of carrier-free lutetium-177 chloride solution in ten thousand curies, and achieved bulk supply to the market. The product indicators met the requirements of the European Pharmacopoeia, providing domestic raw material guarantee for the development of lutetium-177 therapeutic drugs in China.

Nuclear medical equipment

The Gamma-ray Stereotactic Radiotherapy System (Gamma Knife) developed by the Group is a radiosurgery product integrating IGS image guidance technology and radiotherapy technology, which is suitable for the radiotherapy of head and body solid tumors. The Group's gamma knife products were successfully approved with a medical device registration certificate in July 2024. The subsequent model ZND-C Gamma Knife has been submitted for product registration, with its localization rate set to increase to over 90%.

RESEARCH AND DEVELOPMENT PLATFORM

External platforms

IAEA Radiopharmaceuticals and Radioactive Sources Collaboration Center
National Atomic Energy Agency Research and Development Center for Nuclear Technology
(Radiopharmaceutical Engineering Transformation)
CNNC Radiopharmaceuticals Engineering and Technology Research Center
Beijing Key Laboratory of Radiopharmaceuticals Engineering and Technology Center
Guangdong Radioactive Isotope-labeled Drugs Engineering Technology Research Center
Guangdong Stable Isotope Application Engineering Technology Research Center
Shenzhen Carbon Isotope Application Engineering Technology Research Center
Technology Center of Anhui Young-Hearty Medical Appliance & Equipment Co., Ltd.
Beijing Enterprise Technology Center
Chengdu Enterprise Technology Center
Sichuan Enterprise Technology Center
CIRC Branch of Isotope Engineering and Technology Research Center
Sichuan Radioisotope Engineering and Technology Research Center
Shanxi Molecular Imaging Technology and Equipment Research and Development and
Transformation Engineering Research Center
Key Laboratory of Radiopharmaceuticals Quality Control and Evaluation of Guangdong Medical
Products Administration
Shanghai Molecular Imaging Probe Engineering Technology Center
Zhejiang Engineering Research Center for Isotope Preparation and Application Technology

Internal platforms

Radiopharmaceuticals R&D Center
Stable Isotope and Breath Test Technology R&D Center
Radioactive Sources and Application R&D Center
Irradiation Application Technology R&D Center

In terms of industry-academia-research cooperation, the Group has formed active research cooperation with industry-advantaged research institutes, universities and hospitals such as National Institute of Metrology, Shanghai Institute of Materia Medica of Chinese Academy of Sciences, Institute of High Energy Physics of Chinese Academy of Sciences, China Institute of Atomic Energy, Nuclear Power Institute of China, China Institute for Radiation Protection, Harbin Institute of Technology, Sichuan University, Lanzhou University, Beijing Normal University, Peking Union Medical College Hospital, 301 Hospital, West China Hospital of Sichuan University and Southern Medical University, and strengthened academic exchanges and research talent cultivation through the establishment of joint laboratories, research and development centers, collaborative innovation centers and innovation unions for purpose of achieving comprehensive cooperation in technological innovation.

The Group has a long-standing commitment to building a system of high-level talents, with 1 top foreign talent, 10 national-level talents, 11 provincial and ministerial level talents, 5 chief experts, 15 technology leaders, and a scientific research team of 670 research and development personnel focusing on extensive researching and optimizing production technologies, developing new products and upgrading safety and efficacy of existing products to jointly promote technological innovation in various industrial fields of the Group. In addition, the Group has set up a post-doctoral research workstation of MOHRSS, a post-doctoral innovation practice base in Shenzhen, a post-graduate workstation for radiopharmaceuticals in Jiangsu Province and a post-graduate workstation for irradiation application in Suzhou University with an aim of actively developing post-doctoral and post-graduate training and continuously strengthening the construction of talent team.

Digital transformation

The Group actively promoted the application of digital technologies to further empower corporate management and industrial operation. Firstly, by leveraging digital empowerment to improve management, the Group completed the promotion and launch of the ERP system in the first nine units, deepened the application of systems such as the collaborative office system, digital archiving system, digitalized system internal control and quality digitalization platform, implemented business and data standards, achieved integrated collaboration, enhanced management capabilities, and facilitated effective oversight of governance across all organizational levels. Secondly, we focused on driving digital transformation in core industries. We advanced the construction of Zhonghe Headway intelligent factory, utilizing digital technologies to integrate and analyze key data across the entire factory value chain, thereby creating an intelligent industrial park and establishing a collaborative smart manufacturing platform with distinctive industry characteristics. We also promoted the application of CNGT's "nuclear + BeiDou" system, and completed the promotion and application of 100% of BeiDou intelligent monitoring terminals of Class II testing radioactive source transport source changers (二類探傷源運輸換源器), continuously improving the level of safety control. We actively explored the application of new artificial intelligence technologies, organized the identification of high-value AI application scenarios, and drove the development of a large-scale intelligence support model for the research and development of radiopharmaceuticals. Thirdly, we strengthened the cybersecurity defenses, continuously improved network interconnectivity, enhanced endpoint security management, enhanced the capabilities of Level 2 Cybersecurity Center, and conducted cybersecurity penetration tests and other specialized operations to safeguard the digital transformation process.

Capital Operation

During the Reporting Period, the Group did not newly establish any companies.

As of 31 December 2025, the Group's actual amount paid to Tongfu Innovation Industrial Investment Fund Partnership (Limited Partnership) ("**Tongfu Fund**") was RMB410 million (including recovery of principal), accounting for 45.08% of the total actual amount paid to Tongfu Fund, which was RMB910 million. After evaluation, as of 31 December 2025, the net asset of Tongfu Fund measured at fair value was RMB1,048.90 million, and the value of the Company's share of Tongfu Fund's net asset was RMB439.06 million, accounting for 2.8% of the Group's total assets. In 2025, the Company's investment income in Tongfu Fund was RMB8.31 million, and the Company received dividend of RMB2.05 million.

As the main body of the development of the nuclear technology application industry of CNNC, CIRC is responsible for the development of China's nuclear technology application industry. Upholding the strategic objective of "Becoming Larger, Stronger and Better", the Company firmly follows the development concept of "Industrialization and Globalization" to transform itself into a topnotch international organization and provider of nuclear technology application products and services. The Company closely focuses on the established strategy and implements the M&A strategy of investment control source, strengthening the core, and expanding applications. The Group focuses on the fields such as nuclear medicines, nuclear medical equipment and irradiation applications, and mergers and acquisitions have been carried out in combination with strategic or market investment considerations of different targets. In order to promote the implementation of the Company's strategy, open up new economic growth points, and enhance the Company's economic scale and efficiency, Tongfu Fund introduced the National Military Civilian Integration Industry Investment Fund Co., Ltd. (國家軍民融合產業投資基金有限責任公司) and Beijing Daxing Development Guidance Fund (Limited Partnership) (北京市大興發展引導基金(有限合夥)), which further enhanced the financial advantages of Tongfu Fund. Tongfu Fund mainly invests in nuclear technology applications such as nuclide manufacturing, radioactive sources, other diagnostic and therapeutic drugs in the field of nuclear medicines application, medical devices, medical services and industrial irradiation applications.

Production Capacity and Base Construction

In 2025, we focused on core areas including radiopharmaceuticals, breath diagnostic products, radioactive sources and irradiation services to accelerate the nationwide network layout of pharmaceutical centers, expedite the construction of radiopharmaceutical production and R&D bases, systematically enhance production and R&D capabilities across the entire industrial chain, and continuously improve the nuclear medical health industry ecosystem. Concurrently, we advanced construction projects in related fields such as stable isotopes, radioactive sources and irradiation technology application. These efforts supported the independent control over the production of domestic isotope products, thereby better serving the high-quality development of the national medical and health sector.

During the Reporting Period, the nationwide network layout of pharmaceutical centers continued to expand. Production lines of technetium drugs in Guiyang and Urumqi were completed and put into operation, while the positron drugs production lines in Fuzhou and Guiyang were completed and put into operation. The pharmaceutical centers in operation accumulated to 29. Concurrently, the integrated medical products R&D and production base projects in North China, East China and South China progressed systematically. The North China and East China base projects entered the application stage for drug manufacturing certificates.

The Group continued to strengthen its base construction in the fields of nuclear medical health, radioactive source and irradiation technology application. The feasibility study for the Phase II project of high-abundance ^{13}C O gas enrichment was completed, and drilling operation commenced. Upon completion, this project will become China's first production base with tonnage-level capacity for high-abundance ^{13}C O gas. The first phase of Jiajiang radioactive source base was completed and put into operation, while the application for the radiation safety license in the second phase was submitted. Upon completion, the project will establish a comprehensive production system for all categories of radioactive sources, achieving large-scale production capacity. Qinshan isotope production base project has passed completion acceptance, establishing a high-standard, high-quality isotope production facility meeting international advanced standards, representing a significant contribution towards achieving comprehensive independent control over domestic isotope product manufacturing. The main structure of Tianjin irradiation project has been completed. Upon completion, this project will further refine the Company's irradiation industry footprint in the Bohai Rim region, enhancing the Group's market share and technological innovation capabilities in the irradiation sterilization sector.

Implementing the “Healthy China” Strategy and Facilitating the Construction of “One County, One Department”

The Group accelerates the layout of the smart nuclear medicine industry through the Nuclear Medicine Development Center, deeply implements the “Healthy China 2030” (健康中國 2030) planning outline, and fully promotes the implementation of the Medium and Long-term Development Plan for Medical Isotopes (2021-2035) (《醫用同位素中長期發展規劃(2021-2035年)》). We focus on addressing the operational and management needs of the nuclear medicine department, integrating new technological elements such as artificial intelligence and the Internet of Things, with the aim of achieving high-quality development goals for the standardization, normalization, systematization and intelligence of the nuclear medicine departments in China. We have developed the core product, the intelligent nuclear medicine system, and built an integrated ecosystem of “system, hardware and service” for nuclear medicine, driving coordinated development across the Group's full radiopharmaceuticals and equipment industry chain. In the future, we will promote standardized, normalized and intelligent departmental overall solutions nationwide based on this system, assist in realizing “early screening”, “early diagnosis” and “early treatment” of major diseases (tumors), and strive to build an internationally leading overall solution for smart nuclear medical care, thereby enhancing the level of precision medicine in China.

Achievement of Commercial Breakthrough in Intelligent Nuclear Medicine System

In 2025, the Group independently developed and successfully established the commercial closed-loop of the Irradiation Intelligence 1.0 intelligent nuclear medicine system, pioneering the full-process integration from solution design and iterative R&D to on-site deployment. In the year, six intelligent nuclear medicine projects were successfully signed, marking the market validation of the overall nuclear medicine solution industry direction completed. Following the establishment of the world's first national-level intelligent nuclear medicine demonstration center at Peking Union Medical College Hospital in 2024, China's first municipal-level demonstration center was launched and operated at Panzhuhua Central Hospital in November 2025, fully verifying the capability of hierarchical construction and setting a new industry benchmark.

In-depth Promotion of the Strategy of “One County, One Department”

With the specialist alliance as a link, the Group established a coordinated provincial-municipal-county network, facilitating the decentralization of high-quality nuclear medical resources. In June 2025, as the secretariat unit of the academic society, it took the lead in formation of the West Sichuan Nuclides Therapy Alliance covering regions such as Liangshan, Panzhihua, Leshan and Ganzi, creating a regional nuclides therapy collaboration platform serving 20 million people. Throughout the year, the Group facilitated the implementation of four ‘One County, One Department’ projects in county-level areas, initiated demonstration projects for nuclear medicine diagnosis and treatment at 11 primary-level hospitals, and completed the acceptance and designation of four hospitals. Cumulatively, it has supported the development of nuclear medicine departments at 86 medical institutions across 10 provinces nationwide, with 20 county-level hospitals establishing nuclear medicine departments or outpatient clinics, providing robust support for hierarchical diagnosis and treatment and the goal of “major illnesses treated locally without needing to leave the county”.

Innovative Achievements and Intelligent Leadership

The Intelligent Nuclear Medicine System 1.0 has gained market recognition. Development of the Intelligent Nuclear Medicine System 2.0 is now underway, having secured specialized funding from the Beijing Municipal Science and Technology Commission for the technology services sector. This will accelerate the advancement of core modules including multi-center quality control management, remote diagnosis and treatment and intelligent structured reporting. The initiative will comprehensively lead China’s nuclear medicine discipline towards high-quality development characterized by digitalization, standardization, normalization and intelligence.

Quality and Safety

In 2025, the Group closely followed the theme of “Excellence in Leadership, Strengthening Foundations, Forging Spirit, Nuclear Power Quality for Future Success” (卓越領航強基鑄魂核力質勝未來) and adhered to the quality policy of “quality first, customer satisfaction, continuous improvement, pursuit of excellence” (質量第一, 顧客滿意, 持續改進, 追求卓越) and the quality concept of “brand cornerstone, get it right once” (品牌基石、一次做對), promoting quality in an all-round and multi-dimensional way. Zhonghe Headway secured GMP certification in Brazil, boosting overseas market expansion. Several newly-operated enterprises attained ISO9001 quality system certification, while the pharmaceutical centers achieved comprehensive enhancement in quality system effectiveness. The establishment of a comprehensive quality management system promoted the efficient enterprise operation. Mass participation initiatives yielded substantial results, securing multiple provincial and ministerial-level awards for QC teams and quality-trusted work units. Numerous Lean Six Sigma talents were cultivated, with certain projects achieving annual cost savings of RMB1 million. Continuous quality improvement efforts deepened, embodying the pursuit of excellence. The digital transformation of quality management accelerated, establishing comprehensive, penetrative quality indicators for supervision. Integration of digital quality platforms with daily quality management was reinforced across all member units, alongside strengthened quality risk management, empowering enhanced management efficiency.

In 2025, the Group comprehensively coordinated safety and development, and there were no production safety accidents or environmental pollution incidents throughout the year. 24 member units of the Company successfully passed the on-site assessment for the standardization of production safety, effectively improving the standardization and normalization level of the Company’s safety production management. The Group launched a three-year special campaign to address the root causes of safety production issues, earnestly promoted the investigation and rectification of major accident hazards, and pushed to enhance intrinsic safety levels. The “full scope, whole process and full cycle” radiation safety management system was further improved. Activities promoting safety culture at the frontline were deeply carried out, including the promotion of the “Four Tens” (四個十) in safety and quality management, raising the awareness of all staff to follow regulations; safety management personnel production knowledge contests and production personnel safety knowledge contests were conducted, innovatively establishing a cross-competition mechanism between safety and production personnel. The “Set Role Models, Highlight Exemplars” (樹標桿、抓典型) activity was carried out, deeply introducing good safety practices of frontline employees, influencing employees’ safety behaviors through people and events around them, and achieving a shift in all staff’s safety awareness from “I am required to be safe” to “I want to be safe”.

Future Development

2026 marks the commencement of the 15th Five-Year Plan, and doing a good job in 2026 is crucial for CIRC to achieve high-quality development in the 15th Five-Year Plan period. CIRC will adhere to the principle of “helping people’s livelihood and benefiting society”, give full play to the unique advantages of nuclear medicine in the diagnosis and treatment of major diseases such as neurodegenerative diseases, cardiovascular and cerebrovascular diseases and malignant tumors, and provide quality products, services and integrated solutions to better protect people’s lives and health, facilitate the construction of “Healthy China” and accelerate the establishment of a world-class nuclear technology application products and services supply group. The key focus throughout the year will be on the following seven areas:

Firstly, we shall focus on strengthening scientific and technological innovation. We will improve a market-oriented innovation system, driving progress through both organized and spontaneous research efforts. We will promote the high-level operation of platforms such as the IAEA collaboration center of radiopharmaceuticals and radioactive source and the Engineering Transformation Center for Nuclear Technology (Radiopharmaceuticals) of National Atomic Energy Agency. We will accelerate breakthroughs in key ongoing research projects, expedite clinical trials for 10 pharmaceuticals including fluorine-18 stamine injection for the diagnosis of prostate cancer, and strive to submit a marketing registration application for technetium-99m sulfide colloidal injection for the diagnosis of sentinel lymph nodes in breast cancer. We will innovate drug pipeline introduction model and systematically plan and deploy a series of forward-looking research projects.

Secondly, we shall focus on strengthening market development. We will continue to advance the construction of a trinity market development system comprising brand promotion, channel development and after-sales service, driving provincial-level brand promotion and after-sales service that synergizes multiple business lines. We will give equal emphasis to both “consolidating existing products” and “expanding new product lines”. This involves broadening the application scope and scenarios for existing products, initiating market promotion and construction of production capacity supporting facilities for products under development in advance, and accelerating sales of products after obtaining certificates. We will comprehensively optimize distributor management, further drive market promotion activities to grassroots levels.

Thirdly, we shall focus on accelerating “going out”. By prioritizing both “going out” and “bringing in”, we will continuously strengthen our analysis of international markets. Taking our physical subsidiaries in key regions as bridgeheads, we will concentrate resources and enhance coordination to build core competitiveness in areas such as services, channels and teams. Focus will be placed on South America, Southeast Asia, the Middle East, North Africa and the countries along the “Belt and Road”, driving the large-scale export of core products such as nuclides, radiopharmaceuticals, radioactive source and irradiation station through integrated solutions.

Fourthly, we shall focus on strengthening production capacity. Key projects will be expedited. The second phase of Jiajiang radioactive source R&D and production base has been completed and put into operation; the first and second batches of production lines at the North China medical base will be ready for commissioning; the East China medical base, Tianjin Irradiation Center and Yulin Irradiation Center, Guangxi has been put into operation; the second phase of the high-abundance ¹³CO gas enrichment facility started civil engineering construction; the South China medical base commenced construction in the first half of the year. We shall optimize regional planning, and diligently advance the project feasibility studies and implementation of nuclides, the pharmaceutical center and irradiation station. We will implement refined project management requirements, strengthen full-cycle management of fixed-asset investment projects, and promote standardization construction.

Fifthly, we shall focus on implementing capital operation. We will strengthen the top-level design and planning of the Company’s capital operation. Aiming to strengthen core technologies, address industrial shortcomings, enhance market competitiveness and expand market share, we will concentrate on our principal business while pursuing limited diversification, and pursue investment and mergers and acquisitions. We shall refine our ESG indicator system, enhance disclosure practices, and further expand voluntary information disclosure. Regular roadshows and investor relations management will be conducted to guide value perception, facilitate value discovery, and promote value dissemination.

Sixthly, we shall focus on advancing reform breakthroughs. We will ensure the thorough implementation of the “15th Five-Year Plan” as well as the detailed breakdown of the comprehensive work plan. We will establish organizational structures and operational processes that place greater emphasis on production and operation as well as on management services supporting business activities. We will actively and prudently advance the internal integration for radiopharmaceuticals, radioactive sources, irradiation and other business. We will place greater emphasis on strengthening market-oriented mechanism reforms, diligently advance the new operational responsibility system, and refine a more precise, flexible, standardized and efficient income distribution mechanism. We shall make full and effective use of medium-to-long-term incentive tools such as project profit-sharing, project co-investment and equity incentives.

Seventhly, we shall focus on striving to enhance governance effectiveness. We shall continue to refine our corporate governance framework, ensuring that powers and responsibilities are clearly defined and transparent, that operations are coordinated, and that there are effective checks and balances. We shall thoroughly conduct investigations and rectifications of major accident hazards, strengthen monitoring and control of high-risk operation and environmental emissions, and eliminate all types of safety and environmental incidents. We shall solidly advance the construction and operational standardization of the pharmaceutical center and irradiation center, effectively promoting quality management improvements in pharmaceutical subsidiaries. We shall comprehensively advance digital transformation, achieving full-tier ERP implementation and application, continuously enhancing centralized procurement and supply chain management, and promoting cost reduction and efficiency improvement. We shall improve the quality and effectiveness of financial control, establishing an agile financial system integrating strategic finance operational finance, and shared finance. This will optimize resource allocation and budget management while mitigating financial risks.

The “15th Five-Year Plan” is a strategic opportunity period for the development of the nuclear technology application industry. We will closely focus on the objectives of the “15th Five-Year Plan”, unify our ideology and understanding, maintain our strategic determination, strengthen value creation, make every effort to achieve high-quality development in the “15th Five-Year Plan”, and accelerate the establishment of a world-class nuclear technology application products and services supply group.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group’s financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group’s businesses. To the best of knowledge and belief of the Directors, the Directors consider that the following are the principal risks and uncertainties identified by the Group as at the Latest Practicable Date.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Investment Risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorization system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of the Group would be submitted to the Board.

Market Risk

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the market competition. The management of the Group manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

Interest Rate Risk

For interest-sensitive products and investments, the Group analyses the interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Liquidity Risk

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Economic Environment

Most of the Group's facilities, operations are located in and its revenue derived from mainland China. The Group's results of operations and financial condition therefore depend on the economy of mainland China. Mainland China's economy may experience negative economic developments, and other regional economies may also deteriorate.

The Group also has significant business across the PRC and one of its growth strategies is to expand into new regions. These regions have also been adversely affected by the global economic slowdown and any continued slowdown may have an adverse effect on the Group's existing operations in, and planned expansion into, these regions.

FINANCIAL REVIEW

Revenue

We derived our revenue mainly from five major business segments: (1) nuclear medicine; (2) radioactive source products; (3) irradiation; (4) nuclear medical equipment and related services; and (5) other businesses.

Our revenue decreased by 5.1% from RMB7,574.8 million in 2024 to RMB7,187.7 million in 2025, which was mainly due to a decrease in revenue from our nuclear medical equipment and related services and nuclear medicine business segments.

Cost of Sales, Gross Profit and Gross Margin

Our cost of sales decreased by 8.4% from RMB3,891.9 million in 2024 to RMB3,566.1 million in 2025, which was mainly due to a corresponding decrease in cost of sales of nuclear medical equipment and related services, nuclear medicine business segments, resulting from the decrease in revenue.

Our gross profit decreased by 1.7% from RMB3,682.8 million in 2024 to RMB3,621.6 million in 2025 and our gross margin increased from 48.6% to 50.4%. The increase in gross margin was mainly due to the Company's strengthened cost control measures during the year, which resulted in quality and efficiency improvement, and the increased gross profit margin in both the nuclear medicines and radioactive source business segments.

Other Income, Gains and Losses

Our other income increased by 45.0% from RMB77.5 million in 2024 to RMB112.4 million in 2025, which was mainly due to the increase in dividend income from unlisted equity investments held by the Company and a decrease in losses from the disposal of associates during the year.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 10.7% from RMB1,623.6 million in 2024 to RMB1,449.2 million in 2025, which was mainly due to the Company's continuous improvement of sales model and sales policy.

The percentage of our selling and distribution expenses to revenue decreased from 21.4% in 2024 to 20.2% in 2025.

Administrative Expenses, Research and Development Costs and Credit Impairment Losses

Our administrative expenses, research and development costs and credit impairment losses increased by 16.7% from RMB1,050.3 million in 2024 to RMB1,226.2 million in 2025, which was mainly due to the additional tax and late payment penalties paid by the subsidiary Zhonghe Headway during this year.

The percentage of our administrative expenses, research and development costs and credit impairment losses to revenue increased from 13.9% in 2024 to 17.1% in 2025.

Finance Costs

Our finance costs increased 46.7% from RMB48.4 million in 2024 to RMB71.0 million in 2025, mainly due to the increase in external borrowing for funding needs.

Share of Losses of Associates and Share of Profits of Joint Ventures

Our share of losses of associates decreased by 7.0% from RMB14.1 million in 2024 to RMB13.1 million in 2025, mainly due to the slight increase in profits of associates during the year.

Our share of profits of joint ventures increased by 38.9% from RMB21.4 million in 2024 to RMB29.7 million in 2025, mainly due to the increase in profits of the joint ventures of the Company.

Profit before Tax

As a result of the foregoing, our profit before tax decreased by 3.9% from RMB1,045.2 million in 2024 to RMB1,004.1 million in 2025.

Income Tax Expense

Our income tax expense increased by 105.0% from RMB165.7 million in 2024 to RMB339.6 million in 2025, mainly influenced by the supplementary payment of income tax by Zhonghe Headway. Our effective tax rates were 15.9% and 33.8% in 2024 and 2025, respectively.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 24.4% from RMB879.5 million in 2024 to RMB664.5 million in 2025.

FINANCIAL POSITION

Overview

For the year ended 31 December 2025, the total assets of the Group have increased. The total assets, the total liabilities and the total equity were RMB15,716.3 million, RMB7,582.8 million and RMB8,133.5 million, respectively.

Net Current Assets

The table below sets forth our current assets, current liabilities and net current assets as at the dates indicated:

| | <i>RMB in million</i> | |
|--------------------------------|-----------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| Inventories | 1,347.2 | 787.2 |
| Contract assets | 5.7 | 58.8 |
| Trade and bill receivables | 4,883.9 | 4,922.1 |
| Deposits and other receivables | 304.7 | 294.7 |
| Prepayments | 202.9 | 206.2 |
| Cash at bank and on hand | 2,591.2 | 2,649.3 |
| Total Current Assets | 9,335.6 | 8,918.3 |

| | 31 December 2025 | 31 December 2024 |
|----------------------------------|-----------------------------|---------------------|
| Bank loans | 896.3 | 940.7 |
| Corporate bond | – | – |
| Trade payables | 719.0 | 791.5 |
| Accruals and other payables | 3,493.4 | 3,097.5 |
| Lease liabilities | 27.6 | 26.0 |
| Provisions | 74.7 | 92.1 |
| Income tax payable | 79.9 | 75.6 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 5,290.9 | 5,023.4 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Net Current Assets | 4,044.7 | 3,894.9 |
| | <hr/> <hr/> | <hr/> <hr/> |

Our net current assets increased by 3.8% from RMB3,894.9 million as of 31 December 2024 to RMB4,044.7 million as of 31 December 2025, which was mainly due to the increase in the Company's inventories during this year.

Adjusted Net Gearing Ratio and Quick Ratio

Our adjusted net gearing ratios (adjusted net debt (interest-bearing debt plus unaccrued proposed dividends) divided by adjusted equity (total equity of the Company less unaccrued proposed dividends)) were 34.9% and 34.7% as of 31 December 2024 and 31 December 2025, respectively.

Our quick ratios (total current assets, excluding inventories, divided by total current liabilities as of the same date) were 1.6 times and 1.5 times as of 31 December 2024 and 31 December 2025, respectively.

Trade and Other Receivables

Trade and other receivables are stated at amortized cost using the effective interest method less allowance for credit losses. As of 31 December 2025, our trade and other receivables (net of bad debt allowance of RMB298.1 million) were RMB5,188.7 million.

Trade and Other Payables

Our trade and other payables mainly consist of trade payables and accruals and other payables, which include receipts in advance, other taxes payables, deposits from promoters, payables to promoters, payables for staff related costs, dividends payables and other accruals and payables. As of 31 December 2025, our trade and other payables were RMB4,212.4 million.

Issuance of Bonds

On 25 October 2024, the Company issued RMB500 million corporate bonds with coupon rate of 2.25% due in 2027 (China Isotope & Radiation Corporation's 2024 Public Offering of Technology Innovation Corporate Bonds to Professional Investors (Phase I)). For details, please refer to the Company's announcements dated 22 October 2024, 23 October 2024 and 25 October 2024.

Bank Loans and Pledge of Assets

As of 31 December 2024 and 31 December 2025, the Group's total bank loans amounted to RMB1,682.43 million and RMB1,840.82 million, respectively. The Group's total loans from CNNC Finance Company Limited amounted to RMB297.01 million and RMB302.81 million, respectively.

The pledge of assets arising from the borrowings was RMB263.33 million (2024: RMB109.84 million).

Capital Expenditures

Our capital expenditures mainly comprise additions to plant and equipment and intangible assets. In 2025, our capital expenditures were RMB714.6 million.

Contingent Liabilities

As of 31 December 2025, we did not have any material contingent liabilities.

Foreign Exchange and Exchange Rate Risk

During the year ended 31 December 2025, the Group's revenue was mainly denominated in RMB, and it was exposed to currency risk through bank deposits denominated in foreign currency, which were primarily Hong Kong dollars. The Group monitors foreign exchange movements and determines exchange when necessary. The Group currently has no foreign exchange hedging policy.

Credit Risk

In order to minimize the credit risk, we have policies in place to monitor the exposures to these credit risks on an ongoing basis. Before accepting any new customer requiring credit over a certain credit amount, we carry out research into their creditability and assess their credit quality and define credit limits for that customer. Our individual credit evaluations focus on the customer's historical payment records, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

We normally do not require collateral from customers. Therefore, our exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customer operates. The significant concentration of credit risk primarily arises when we rely heavily on individual customers. We will, however, perform periodic credit evaluation on our customers and monitor the compliance of credit terms by them. We believe we do not have any significant concentration of credit risk as the trade and bill receivables involve a large number of customers across diverse industries and geographical areas.

Liquidity Risk

Our policy is to regularly monitor current and expected liquidity requirements to ensure that we maintain sufficient reserves of cash and adequate commitment funds from major financial institutions to meet both short-term and long-term liquidity requirements. Our Directors believe that there is no significant liquidity risk, as we have sufficient monetary capital to fund our operations.

DIVIDEND POLICY

The dividend policy of the Company is summarized as below:

In distributing the profit after tax of the current year, the Company shall allocate 10% of its profit into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of Company is more than 50% of its registered capital, further appropriations are not required. Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the aforementioned. After allocation of its profits after tax to its statutory reserve fund, the Company may, subject to the approval of the shareholders of the Company at the shareholders' general meeting allocate its profits after tax to its discretionary reserve fund. After making up for the losses and making allocations to the reserve fund, any remaining profits after tax shall be distributed by the Company to the shareholders of the Company in proportion to their respective shareholdings according to the resolution adopted at the shareholders' general meeting of the Company. If the shareholders' general meeting of the Company has, in violation of the provision of the aforementioned, distributed profits to the shareholders of the Company before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders of the Company shall return to the Company the profit distributed in violation of the provision. The Company's shares held by the Company are not entitled to any profit distribution.

The Company may distribute dividends in the form of cash or shares.

Dividends are declared and paid in RMB to holders of domestic shares of the Company, whereas dividends payable to holders of H shares will be declared in RMB and payable in Hong Kong dollars. Exchange rate between RMB and Hong Kong dollar will be the arithmetic mean of the median of the exchange rates of Hong Kong dollars against RMB as quoted by the People's Bank of China for the five business days preceding the date of the declaration of dividend (inclusive). The Company's specific profit distribution proposal will be formulated by the Board in accordance with the relevant laws and regulations and the Company's operating conditions, based on the opinions of the Company's independent Directors, and will be considered and decided by general meeting of the Company. In the event that a profit distribution proposal is approved at the general meeting of the Company, the Company will implement the specific plan within two months after the conclusion of the relevant general meeting.

When the Board recommends the declaration of cash dividends to shareholders of the Company (the "**Shareholder(s)**") at a general meeting, the decision to declare any dividends and the amount of dividends will depend on, among other things:

- our results of operations and cash flows;
- our financial position;
- overall performance;
- our future prospects;

- statutory, regulatory and contractual restrictions on the payment of dividends by us; and
- other factors that the Board deems relevant.

NO MATERIAL ADVERSE CHANGE

The Directors have confirmed that there was no material adverse change in our financial and trading position or prospects as of 31 December 2025.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no significant subsequent events to be disclosed after the Reporting Period to the date of this announcement.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

On 6 July 2018, H shares of the Company became listed on the Main Board of the Stock Exchange (stock code: 1763). Based on the offer price of HKD21.60 per H share and upon the partial exercise of the over-allotment option (100 shares), the net proceeds that the Group received from the Global Offering were approximately HKD1,690.0 million after deduction of the underwriting commissions and other estimated expenses in relation to the Global Offering. As at 31 December 2025, current assets of approximately RMB268.1 million were used and approximately RMB536.1 million was used in selective mergers and acquisitions.

The Group has utilised the net proceeds from the Global Offering in accordance with the intended use disclosed in the prospectus of the Company dated 22 June 2018 and the announcements of the Company dated 29 March 2019 and 20 September 2019. In accordance with the requirements of paragraph 11(8) of Appendix D2 of the Listing Rules, the use of proceeds will be updated to provide the use of proceeds from the initial public offering for 2025 (including the expected timeline of full utilisation of the balance), which is set out below:

RMB in million

| Use | Initial Amount of the net | Revised Allocation of the net proceeds | Amount Utilised as of 31 December 2018 | Amount Utilised as of 31 December 2019 | Amount Utilised as of 31 December 2020 | Amount Utilised as of 31 December 2021 | Amount Utilised as of 31 December 2022 | Amount Utilised as of 31 December 2023 | Amount Utilised as of 31 December 2024 | Amount Utilised as of 31 December 2025 | Remaining Amount as of 31 December 2025 | Expected time of full utilisation of balance |
|--|---------------------------------|---|--|--|--|--|--|--|--|--|---|---|
| Investment in imaging diagnostic and therapeutic radiopharmaceuticals manufacturing and research and development bases | 597.3 | 460.0 | 0.0 | 29.5 | 200.0 | 251.5 | 427.0 | 459.3 | 460.0 | 460.0 | 0.0 | |
| Establishment of production and distribution subsidiaries | 67.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Establishment of new production facilities | 84.5 | 50.0 | 0.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 0.0 | |
| Investment in the research and development of various imaging diagnostic and therapeutic radiopharmaceuticals, raw materials of radioactive source products, medical radioisotopes, and UBT products and related raw materials | 253.6 | 118.3 | 0.0 | 76.6 | 101.2 | 105.4 | 105.5 | 105.5 | 105.5 | 105.5 | 12.8 | In 2026 |
| Investments/ selective (mergers) acquisitions | 286.5 | 536.1 | 51.4 | 529.9 | 536.1 | 536.1 | 536.1 | 536.1 | 536.1 | 536.1 | 0.0 | |
| Working capital and general corporate purposes | 143.3 | 268.1 | 71.7 | 232.5 | 268.1 | 268.1 | 268.1 | 268.1 | 268.1 | 268.1 | 0.0 | |
| Total | 1,432.5 | 1,432.5 | 123.1 | 918.5 | 1,155.4 | 1,211.1 | 1,386.7 | 1,419.0 | 1,419.7 | 1,419.7 | 12.8 | |

Note: The investment in the research and development in the use of proceeds is under preparation due to certain research and development projects to be newly launched. There may be differences between the actual and expected timeline for utilising the proceeds for investment in research and development. The specific timeline of utilisation of the proceeds for the investment in the research and development is subject to the actual timeline of utilisation of the projects. The Company will fulfill the disclosure obligations in accordance with the relevant requirements according to the progress of the projects.

EMPLOYEES AND REMUNERATION POLICY

The Group had a total of 3,578 (as at 31 December 2024: 3,367) employees as at 31 December 2025. During the year ended 31 December 2025, our staff costs were approximately RMB880.3 million (for the year ended 31 December 2024: RMB886.0 million). The remuneration policy of the Group is to motivate and retain excellent staff so as to realize the long-term enterprise goals and objectives of the Group. The employee remuneration policy of the Group is determined after taking into account the overall salary level in the industry, employees' performance and other factors. The management regularly reviews the employee remuneration policy and arrangement of the Group.

We provide our employees with salaries and bonuses, as well as employee benefits, including employee retirement benefit schemes, medical and vocational injury insurance schemes and housing provident fund schemes. Our employees located in China are covered by the mandatory social security schemes defined by PRC local practice and regulations, which are essentially defined contribution schemes. The Group contributes to the basic pension insurance schemes based on the applicable benchmarks and rates prescribed by government departments, pursuant to which such entities are required to contribute to the schemes at the rate of 16% of the employee's basic salary. Employees of these entities are entitled to retirement benefits calculated as a percentage of the average wage level in China from the above – mentioned retirement plan at the time of their normal retirement. The Group shall not use any forfeited contributions to reduce the level of existing contributions. In addition to the government's mandatory basic pension and medical schemes, the Group also provides fixed retirement benefits to retired citizens, current retirees and certain eligible active employees (the "**Plan**"), which has covered 26% of the Group's employees as at 31 December 2025. The Plan is managed by the Group and funded by the Group's working capital. Under the Plan, eligible retirees and/or employees are entitled to fixed supplemental post-retirement pension benefits, defined death benefits and supplemental post-retirement medical benefits. There are no Plan assets and therefore no information on the market value, contribution level or material surplus or shortfall of the Plan assets can be disclosed.

We provide training to all of our employees to have them equipped with the necessary skills to perform their jobs competently and to give them the opportunities to realize their personal career goals and aspirations. We are also committed to providing individuals with management and leadership training that will improve our capability to achieve our vision, mission and growth objectives. We realize the importance of developing individual career paths that will help employees develop their full potential. Development opportunities are provided as a result of on-the-job training and formal training programs.

HEDGING ACTIVITIES

During the year ended 31 December 2025, the Group had not entered into any hedging transaction in relation to foreign exchange risks or interest rate risks.

MAJOR ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 3 December 2025, HTA Co., Ltd. acquired the 27.7778% equity interest in Hefei Atomic Gaotong Pharmaceutical Co., Ltd. (合肥原子高通醫藥有限公司) held by Chengdu Gaotong Isotope Co., Ltd. (CNNC). On 4 December 2025, HTA Co., Ltd. acquired the 25.4915% equity interest in Sichuan Atomic Gaotong Pharmaceutical Co., Ltd. (四川原子高通藥業有限公司) held by Chengdu Gaotong Isotope Co., Ltd. (CNNC), along with the 31.3688% equity interest in Nanning HTA Pharmaceutical Co., Ltd. (南寧原子高科醫藥有限公司) held by the same entity. On 15 December 2025, HTA Co., Ltd. acquired the 50% equity interest in Qingdao HTA Pharmaceutical Co., Ltd. (青島原子高科醫藥有限公司) held by Chengdu Gaotong Isotope Co., Ltd. (CNNC). On 29 December 2025, HTA Co., Ltd. transferred 11% of the equity interest in Hubei Zhongxun Medical Supplies Industry Co., Ltd (湖北中循醫療用品實業有限公司).

Save as disclosed above, the Company did not have any acquisition or disposal of subsidiaries, associates or joint ventures during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will actively explore investment opportunities in and outside the PRC to diversify its source of income, which may or may not include any acquisition or disposal of assets and/or business by the Group. Any such plans will comply with the applicable requirements under the Listing Rules (where appropriate).

As at the date of this announcement, the Company had no specific future plans to make material investments or acquire capital assets.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted and applied the principles and provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

During the Reporting Period, the Company has complied with the mandatory code provisions of the Corporate Governance Code. The Group has always been committed to enhancing its corporate governance level and deems the corporate governance as an integral part of the value created for shareholders of the Company. The Group has, with reference to the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, established a modern corporate governance structure effectively balanced and independently operated by the general meeting, the Board and senior management of the Company. The Company has also adopted the Corporate Governance Code as the corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions

The Group has adopted a set of code with the standard no less favorable than that of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Customised Code**”) as its own code of conduct regarding securities transaction by all Directors and the relevant employees of the Company.

Having made specific enquiry by the Directors, all Directors confirmed that they had complied with the required standards as set out in the Customised Code during the Reporting Period. No incident of non-compliance with the Customised Code by such employees was noted by the Company.

Audit and Risk Management Committee

The audit and risk management committee of the Company (the “**Audit and Risk Management Committee**”) consists of two independent non-executive Directors and one non-executive Director, namely Mr. Poon Chiu Kwok (chairman), Mr. Lu Chuang and Mr. Chen Zan, which terms of reference comply with the Listing Rules.

The Audit and Risk Management Committee has considered and reviewed the accounting principles and practice adopted by the Group and has discussed the relevant internal control and financial reporting matters with the management, including reviewing the consolidated financial results of the Group for the year ended 31 December 2025.

On 27 March 2026, the Audit and Risk Management Committee reviewed and confirmed the annual results announcement of the Group for the year ended 31 December 2025, annual report of 2025 and the consolidated financial information for the year ended 31 December 2025.

Scope of Work of Auditor

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this preliminary announcement.

Purchase, Sale or Redemption of the Listed Securities of the Company

During the year ended 31 December 2025 and as of the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company.

As at 31 December 2025, neither the Company nor its subsidiaries hold any treasury shares.

2025 Annual General Meeting

The 2025 annual general meeting of the Company (the “**AGM**”) will be held on Thursday, 18 June 2026, and the notice of the AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.circ.com.cn) in due course.

2025 Final Dividend

The Board resolved to declare a final cash dividend of RMB0.2264 per Share (inclusive of tax) for the year ended 31 December 2025 (the “**2025 Final Dividend**”) to Shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2026, with a total cash dividend to be distributed of RMB72,419,677.36 (inclusive of tax). The 2025 Final Dividend is expected to be declared and paid in RMB to holders of Domestic Shares and, whereas dividends payable to holders of H shares will be declared in RMB and payable in Hong Kong dollars before 17 August 2026. Exchange rate between RMB and Hong Kong dollar will be the arithmetic mean of the median of the exchange rates of Hong Kong dollars against RMB as quoted by the People’s Bank of China for the five business days preceding the date of the declaration of dividend (inclusive). The above dividend distribution proposal is subject to the review and approval by Shareholders at the AGM. Details of the dividend distribution will be published after the AGM.

According to the “Enterprise Income Tax Law of the People’s Republic of China” and its implementing rules, which came into effect on 1 January 2008, and other relevant rules, the Company is required to withhold 10% enterprise income tax before distributing the proposed Final Dividend to non-resident enterprise Shareholders whose names appear on the register of members of the Company. Any H Shares registered in the name of non-individual registered Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise Shareholders and therefore will be subject to the withholding of enterprise income tax.

According to the letter titled the “Tax arrangements on dividends paid to Hong Kong residents by mainland companies” issued by the Stock Exchange to the issuers on 4 July 2011 and a circular (Guo Shui Han [2011] No. 348) issued by the State Administration of Taxation on 28 June 2011, and relevant laws and regulations, if individual holders of H Shares are residents of Hong Kong or Macau or countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If individual holders of H Shares are residents of countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will nonetheless withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. In such a case, if the relevant Shareholders would like a refund of the additional amount withheld, the Company will apply for the agreed preferential tax treatment provided that information required by the applicable tax treaty notice(s) is submitted to the Company’s H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited. If individual holders of H Shares are residents of countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If individual holders of H Shares are residents of countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or countries which have not entered into any tax treaty with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. The Company assumes no responsibility and will not entertain any claim arising from any delay in, or inaccurate determination of, the tax status or tax treatment of Shareholders or any dispute over tax(es) withheld. Shareholders are recommended to consult their tax advisers regarding the PRC, Hong Kong and other tax effects involved in their holding and disposal of H Shares.

Closure of Register of Members and Record Date

The Company will hold the AGM on Thursday, 18 June 2026. The register of members of the Company will be closed from Friday, 12 June 2026 to Thursday, 18 June 2026 (both dates inclusive) and from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both dates inclusive). Shareholders whose names appear on the register of members of the Company on Thursday, 18 June 2026 will be entitled to attend and vote at the AGM. Shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2026 will be entitled to receive the 2025 Final Dividend. For the purpose of being qualified as Shareholders to attend and vote at the AGM, Shareholders must lodge all transfers documents with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) or the Company’s registered office on No. 66 Changwa Middle Street, Haidian District, Beijing, China (for holders of Domestic Shares) for registration no later than 4:30 p.m. on Thursday, 11 June 2026. For the purpose of being qualified as Shareholders to receive the 2025 Final Dividend (subject to the approval by Shareholders at the AGM), Shareholders must lodge all transfers documents with the Company’s H Share Registrar (see the address above) (for holders of H Shares) or the Company’s registered office (see the address above) (for holders of Domestic Shares) for registration no later than 4:30 p.m. on Wednesday, 24 June 2026.

Publication of Results Announcement and Annual Report

This announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.circ.com.cn). The Company will publish the annual report for the year ended 31 December 2025 on the above websites in due course.

By order of the Board
China Isotope & Radiation Corporation
Xiao Yafei
Chairman

Beijing, the PRC, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Xiao Yafei, Mr. Zhang Junqi, Ms. Huo Yingying and Ms. Ma Xiaoyu as executive Directors; Mr. Chen Zan, Mr. Ding Jianmin and Ms. Chang Jinyu as non-executive Directors; and Mr. Poon Chiu Kwok, Ms. Chen Jingshan, Mr. Lu Chuang and Mr. An Rui as independent non-executive Directors.