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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)

SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 28 July 2026 (the “**Announcement**”) in relation to the connected transaction concerning the entering into of the Shareholders’ Agreement on the establishment of the joint venture company. Unless otherwise defined herein, terms used herein shall have the same meanings as those defined in the Announcement.

Revenue Forecast of The Nuclear Medicine Development Center

Forecast of revenue from principal business

The forecast of revenue from the principal business of the Nuclear Medicine Development Center adopted in this valuation is set out below:

	Historical Data			Forecast Data				
	2024	January-September 2025	October-December 2025	2026	2027	2028	2029	2030
Revenue from principal business (RMB0’000)	48.73	5.41	305.64	942.06	2,112.37	3,510.94	4,952.58	6,394.22

The above forecast is primarily based on the following assumptions:

1. Based on the 2023 China Nuclear Medicine Industry Development Report, survey data on equipment upgrades in Class III-A hospitals, implementation documents for the “One County, One Department” plan issued by local health commissions, and research on the cost of establishing nuclear medicine departments in county-level hospitals, it is estimated that the total addressable market for intelligent nuclear medicine solutions in China from 2026 to 2030 will amount to RMB5.518 billion, representing a CAGR of 35.2%.

- Based on the “One County, One Department” policy, it is expected that 600 new nuclear medicine departments will be established nationwide during 2026 to 2030. Assuming a market share of 2.5%, 15 customers are expected to be secured, generating revenue of RMB106 million. The demand for intelligent upgrades among existing hospitals is expected to increase from 5% to 25%, with 52 customers contributing revenue of RMB24.61 million.
- Leveraging the resources and channels of the Group, a closed-loop industrial chain can be formed. The sales team is expected to expand from 15 members in 2026 to 45 members by 2030, covering 18 provinces, thereby ensuring its customer acquisition capability.

Forecast of cost of principal business

The forecast of the cost of the principal business of the Nuclear Medicine Development Center adopted in this valuation is set out below:

	Historical Data			Forecast Data				
	2024	January-September 2025	October-December 2025	2026	2027	2028	2029	2030
Cost of principal business (RMB0'000)	21.17	–	134.46	590.38	1,295.35	2,114.90	3,081.07	4,298.46

The above forecast primarily takes into account the impact of revenue expansion on gross profit margin, the impact on costs arising from the factors described under the section headed “Forecast of Revenue from Principal Business”, and the results of discussions with the management.

Forecast of capital expenditure

As the Nuclear Medicine Development Center held 7 intellectual properties involving co-owners as at the Valuation Benchmark Date, and considering that the forecasts are based on full ownership, it is expected that RMB1.5 million will be payable to purchase the 50% interest in the intangible assets held by Peking Union Medical College Hospital through simulated acquisition of the other party's equity.

Other parameters used in the revenue forecast

The following parameters were also adopted in preparing the revenue forecast of the Nuclear Medicine Development Center:

Urban maintenance and construction tax rate	7% of the value-added tax payable
Education surcharge tax rate	5% of the value-added tax payable
Enterprise income tax rate	25%

Discount Rate

Discount rate model

Under the principle that the earnings metric shall be the same as that for discount rate, the earnings metric adopted in this valuation is free cash flow to the firm, the discount rate is determined based on the weighted average cost of capital (WACC). The WACC model is expressed by the following mathematical formula:

$$WACC = R_d \times (1 - T) \times \frac{D}{D + E} + R_e \times \frac{E}{D + E}$$

Where: R_e : expected rate of return on equity;
 R_d : expected rate of return on debt;
E: value of net assets;
D: value of debt;
T: income tax rate.

Determination of cost of equity capital

In determining the cost of equity capital, the Independent Valuer adopted the Capital Asset Pricing Model (“CAPM”). The CAPM is a widely applied method for estimating investor returns and the cost of equity capital. The CAPM can be expressed by the following mathematical formula:

$$R_e = R_f + ERP \times \beta + \varepsilon$$

Where: R_f : risk-free interest rate;
ERP: equity risk premium;
 β : systematic risk coefficient of equity;
 ε : enterprise’s specific risk adjustment coefficient.

Valuation process of specific parameters

1. Selection of comparable companies

The comparable companies were selected with reference to the following criteria:

- (1) The stocks of comparable listed companies have been listed for not less than 24 months and are actively traded;
- (2) The comparable listed companies are in the same industry as the appraised entity or affected by the same economic policies;
- (3) The comparable listed companies' principal activities are identical to those of the appraised entity, with the revenue from the identical principal activities constituting no less than 50% of the total revenue;
- (4) The comparable listed companies exhibit similarity to the appraised entity in terms of asset scale, profitability, growth potential and stage of development.

Based on the above selection criteria, the Independent Valuer selected the following listed companies as comparable listed companies:

No.	Stock Code	Company Name
1	000948.SZ	Nantian Information
2	002230.SZ	iFLYTEK
3	002368.SZ	Taiji Computer
4	300300.SZ	Strait Innovation
5	300550.SZ	Heren Health
6	002261.SZ	Talkweb Information
7	002777.SZ	Jiuyuan Yin Hai

Risk-free return rate (R_f)

The yield of treasury bonds is usually considered risk-free because the risk of holding such bonds that cannot be repaid at maturity is so insignificant that it can be ignored. The Independent Valuer determined the risk-free return rate by querying the average yield to maturity of treasury bonds traded near the Valuation Benchmark Date with over ten years remaining to maturity through iFinD Information, arriving at R_f of 2.21%.

Determination of equity risk premium (ERP)

Equity risk premium is the expected excess return that an investor would request on an equity investment with risk that is the same as the overall market average risk, i.e., the compensation for risk over the risk-free interest rate. Investment return in the equity market is a typical representation of return in the capital market. Risk-return in the equity market is the excess over the risk-free return rate that an investor expects from investing in the equity market and can also be considered a typical representation of equity risk premium.

The Independent Valuer estimates the investment return (R_m) and equity risk premium (ERP) ($R_m - R_f$) of the equity market in China as follows:

(1) Selection of index for measuring investment yield

The CSI 300 Index is an index covering both the Shanghai and Shenzhen stock markets, reflecting the comprehensive changes in the stock prices of representative stocks with strong liquidity and large scale. The constituent stocks of the index can more truly reflect the returns of mainstream investment in the market. Therefore, the CSI 300 Index was selected to estimate the investment yield of the PRC stock market.

(2) The 10-year period is selected as the time span for the calculation of investment yield. For each constituent stock of CSI 300, the investment yield for the past ten years is calculated to minimize the impact of non-systematic stock volatility. The term used to calculate the investment yield for 2025 is from 2015 to 2024, and the investment yield for subsequent years is calculated similarly.

(3) Calculation of annual investment yield (R_m)

Two calculation methods are adopted: arithmetic mean and geometric mean. Based on comparative analysis, the Independent Valuer believes the geometric mean can better reflect the growth of the yield rate, and therefore the geometric mean is used as the calculation of final annual investment yield (R_m).

(4) Determination of equity risk premium (ERP) ($R_m - R_f$)

The Independent Valuer selected the yield to maturity of treasury bonds with a remaining maturity of more than 10 years at the end of each year as the risk-free interest rate R_f . After the above steps, the Independent Valuer estimated the ERP for 2024 to be 6.35%.

Determination of the risk coefficient β of comparable companies relative to the stock market

A correlation t test was performed on β coefficient of the above comparable listed companies.

Calculation of β coefficient without financial leverage of comparable companies

For the β coefficient with financial leverage (β_L) available for these comparable listed companies, the Independent Valuer has unlevered it to the β coefficient without financial leverage (β_U) according to the capital structure of the corresponding listed companies. The calculation process is as follows:

No.	Stock Code	Company Name	Interest-bearing Debt (D) A	Debt-to-Capital Ratio B=A/(A+C)	Equity Value (E) C	Debt-to-Equity Ratio (D/E) N=A/C	Levered β G	Applicable Income Tax Rate K
1	000948.SZ	Nantian Information	177,731.60	0.20	714,666.12	24.88%	0.5529	15%
2	002230.SZ	iFLYTEK	886,020.73	0.06	12,957,036.92	6.84%	1.1083	15%
3	002368.SZ	Taiji Computer	318,847.98	0.16	1,723,857.74	18.50%	1.4287	15%
4	300300.SZ	Strait Innovation	44,172.70	0.12	329,422.45	13.40%	1.0684	15%
5	300550.SZ	Heren Health	7,018.99	0.02	322,948.97	2.18%	0.7784	10%
6	002261.SZ	Talkweb Information	84,736.00	0.02	4,553,327.30	1.86%	1.3079	15%
7	002777.SZ	Jiuyuan Yin Hai	1,140.81	0.00	775,230.74	0.15%	1.5450	10%

Calculation of β coefficient with target capital structure of the appraised entity

It is calculated based on the average value of the β coefficients without financial leverage of comparable companies and the target capital structure, the calculation formula is as follows:

$$\beta_L = (1 + (1 - T) \times D/E) \times \beta_U$$

Where: β_L is β coefficient with the target capital structure of the appraised entity
 β_U is the average value of β coefficient without financial leverage of comparable companies
D/E is the target capital structure, which in this instance is taken as the average capital structure of comparable companies.

Blume adjustment of β coefficient

The β coefficient of comparable listed companies estimated by the Independent Valuer based on historical data represents the historical β coefficient. The discount rate is used in discounting the future expected income, so the discount rate to be estimated is also the expected discount rate in the future. As a result, it is required to estimate the expected β coefficient in the future. The Independent Valuer adopted the Blume Adjustment method to adjust the β coefficient estimated based on historical data.

In practice, the adjustment concept and method proposed by Blume are as follows:

$$a = 0.35 + 0.65\beta_L$$

Where: a is the adjusted β
 β_L is the estimated historical β .

The adjusted risk coefficient β of the appraised entity is 1.0729.

Determination of specific risk return (ε)

The specific risk return (ε) is the return on non-systematic risk arising from the specific factors of the appraised entity. A reasonable specific risk return (ε) is determined by adopting the comprehensive analysis method in the valuation, namely, after comprehensively considering the relevant factors, such as the asset scale, operation stage, market competition, reliance on key customers and suppliers, corporate governance and capital structure of the appraised entity. The adjusted specific risk coefficient adopted in this valuation was 3%.

Calculation of cost of equity capital

Substituting the relevant data into the Re formula:

$$R_e = R_f + \beta \times (R_m - R_f) + \varepsilon$$

yields the cost of equity capital as 12.02%.

Determination of cost of debt capital

The one-year Loan Prime Rate (“LPR”) of banks was adopted as the cost of debt capital, i.e., 3.00%.

Calculation of WACC

Substituting the aforementioned data into the WACC formula:

$$WACC = R_d \times (1 - T) \times \frac{D}{D + E} + R_e \times \frac{E}{D + E}$$

yields a discount rate of 11.21%.

Sensitivity analysis of discount rate changes

Using the current discount rates as the baseline, and assuming other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the appraised value under income approach is as follows:

Discount rate	Discount rate changes	Appraised value (RMB0'000)	Change in appraised value (RMB0'000)	Rate of change in appraised value	Change in appraised value per 0.5% change in discount rate (RMB0'000)	Rate of change in appraised value per 0.5% change in discount rate
9.71%	-1.50%	2,720.00	880.00	48%	293.33	15.94%
10.21%	-1.00%	2,400.00	560.00	30%	280.00	15.22%
11.71%	0.50%	1,600.00	-240.00	-13%	240.00	13.04%
11.21%	0.00%	1,840.00	–	0%	–	0.00%
11.76%	0.55%	1,570.00	-270.00	-15%	270.00	14.67%
12.21%	1.00%	1,380.00	-460.00	-25%	230.00	12.50%
12.71%	1.50%	1,180.00	-660.00	-36%	220.00	11.96%
Average change					219.05	
Average rate of change					11.90%	

Valuation result

As disclosed in the Announcement, as of 30 September 2025, the Nuclear Medicine Development Center of CIRC had current assets of RMB83,500, non-current assets of RMB5.7274 million and current liabilities of RMB1.5412 million, resulting in a book value of net assets of RMB4.2697 million. According to the Asset Valuation Report, the appraised value of the Nuclear Medicine Development Center as at the Valuation Benchmark Date was RMB18.40 million, representing an appraisal surplus of RMB14.13 million and an appreciation of approximately 330.9% over its book value. The aforesaid difference was primarily attributable to the fact that the valuation under the income approach not only took into account the value of all tangible assets, intangible assets and liabilities recognised in the balance sheet of the appraised entity, but also considered the appraised entity's resource integration capability and overall earning capacity, which were not reflected in its balance sheet.

Save as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Beijing, the PRC, 4 August 2026

As at the date of this announcement, the Board comprises Mr. Xiao Yafei, Mr. Zhang Junqi and Ms. Huo Yingying as executive Directors; Mr. Chen Zan, Mr. Ding Jianmin, Mr. Zhang Guoliang 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.