THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was affected for transmission to the purchaser or the transferee.

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LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*

樂普心泰醫療科技(上海)股份有限公司

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

(Stock Code: 2291)

(1) MAJOR AND CONNECTED TRANSACTION ACQUISITION OF 54.2384% EQUITY INTEREST IN SHANGHAI MINWEI BIOTECHNOLOGY CO., LTD.; (2) PROPOSED CHANGE IN USE OF PROCEEDS; AND (3) NOTICE OF EGM

Financial Adviser to the Company

CICC 中金公司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 4 to 24 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 25 to 26 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 27 to 65 of this circular. A notice convening the EGM to be held on Wednesday, December 2, 2026 at 10:30 a.m. at Conference Room, 5th Floor, Building 41, No. 258 Xinzhuan Highway, Songjiang District, Shanghai, the PRC is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.scientechmed.com).

If you intend to appoint a proxy to attend the EGM, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same. Shareholders should return the form of proxy to the H Share Registrar, in any event served by hand, by post or by fax not less than 24 hours before the time designated for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Reference to dates and times in this circular are to Hong Kong dates and time.

* *The Company is a registered non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), and it is registered under its Chinese name and English name "LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.".*

November 12, 2026

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

"Acquisition"	the acquisition by the Company of the 54.2384% equity interest in the Target Company from the Vendor pursuant to the Share Transfer Agreement, the consideration of which shall be satisfied by cash
"actual controller (實際控制人)"	the individual or entity that can control a company by way of investment, contract or other arrangements according to the Listing Rules of the Growth Enterprise Market (《創業板股票上市規則》) published by the Shenzhen Stock Exchange where the Vendor is listed
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of Directors
"Closing Date"	the date of the closing of the Acquisition, being the date on which the Company transfers the first instalment of the Consideration to the designated account of the Vendor or such other date as further agreed upon by the Vendor and the Company
"Company"	LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.* (樂普心泰醫療科技(上海)股份有限公司), a joint stock limited liability company established in the PRC on January 29, 2021
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration of RMB1,088,387,980 for the Acquisition
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Transfer Agreement and the transactions contemplated thereunder
"Enlarged Group"	the Group and the Target Group upon completion of the Acquisition

"Global Offering"	has the meaning ascribed to it under the prospectus issued by the Company on October 27, 2022 in connection with the Hong Kong public offering of the Shares
"Group"	the Company and its subsidiaries from time to time
"H Share Registrar"	Tricor Investor Services Limited
"H Share(s)" or "Share(s)"	ordinary H share(s) in the share capital of our Company with a par value of RMB1.00 each
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Acquisition
"Independent Financial Adviser"	Somerley Capital Limited, an independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole
"Independent Shareholders"	Shareholders who have no material interest in the Share Transfer Agreement and the transactions contemplated thereunder
"Latest Practicable Date"	November 11, 2026
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"PRC"	The People's Republic of China, which expression for the purpose of this circular, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan

"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Transfer Agreement"	the share transfer agreement dated August 21, 2026 entered into between the Company, the Vendor and the Target Company in relation to the Acquisition
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in the Listing Rules
"Target Company"	Shanghai Minwei Biotechnology Co., Ltd.# (上海民為生物技術有限公司), a limited liability company established in PRC on April 20, 2021
"Target Group"	the Target Company and its subsidiaries
"US$"	United States dollars, the lawful currency of the United States of America
"Vendor" or "Lepu Medical"	Lepu Medical Technology (Beijing) Co., Ltd.# (樂普(北京)醫療器械股份有限公司), a joint stock company incorporated in the PRC on June 11, 1999 and listed on the Shenzhen Stock Exchange (stock code: 300003)
"%"	per cent

LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*

樂普心泰醫療科技(上海)股份有限公司

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

(Stock Code: 2291)

Executive Director:
Ms. Chen Juan *(Chairman)*

Non-executive Directors:
Ms. Zhang Yuxin
Mr. Fu Shan
Mr. Zhu Guanfu

Independent Non-executive Directors:
Ms. Chan Ka Lai Vanessa
Mr. Zheng Yufeng
Mr. Zheng Junwei

Registered Office:
Room 201, Building 41
No. 258, Xinzhuan Road
Songjiang District, Shanghai
the PRC

Head office in the PRC:
1/F, 5/F, Building 41
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Principal Place of Business in Hong Kong:
Room 1918, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

November 12, 2026

To the Shareholders:

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION ACQUISITION OF 54.2384% EQUITY INTEREST IN SHANGHAI MINWEI BIOTECHNOLOGY CO., LTD.;
(2) PROPOSED CHANGE IN USE OF PROCEEDS; AND
(3) NOTICE OF EGM

1. INTRODUCTION

Reference is made to the announcement of the Company dated August 21, 2026 in relation to the Acquisition.

The purpose of this circular is to provide you with, among other things, (i) details of the Acquisition; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) information in respect of the Proposed Change in UOP; and (v) the notice of the EGM.

On August 21, 2026 (after trading hours), the Company, the Vendor and Shanghai Minwei Biotechnology Co., Ltd.# (上海民為生物技術有限公司) (the "**Target Company**") entered into the Share Transfer Agreement, pursuant to which the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, an aggregate of 54.2384% equity interest in the Target Company at the Consideration of RMB1,088,387,980 in cash.

2. THE ACQUISITION

The Share Transfer Agreement

A summary of the principal terms of the Share Transfer Agreement is set out below:

Date:	August 21, 2026
Parties:	A. the Company (as the purchaser); B. the Vendor; and C. the Target Company

As at the Latest Practicable Date, the Vendor is the controlling shareholder (as defined under the Listing Rules) of the Company which holds approximately 78.67% of the total issued share capital of the Company (which has taken into account Shares repurchased for cancellation but not yet cancelled), and 54.2384% of the Target Company's equity interest is held by the Vendor which renders the Target Company an associate (as defined under Chapter 14A of the Listing Rules) of the Vendor. Therefore, each of the Vendor and the Target Company is a connected person of the Company under Chapter 14A of the Listing Rules.

Subject matter

Pursuant to the Share Transfer Agreement, the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell 54.2384% equity interest in the Target Company at the Consideration of RMB1,088,387,980 in cash.

Consideration and Payment Schedule

The Consideration to be paid to the Vendor for the Acquisition will be settled in the following manner:

(a) upon the fulfillment or waiver in writing by the Company of the Closing Conditions (as defined below), the Company shall pay the first installment in an aggregate amount of RMB653,032,788 to the Vendor, being 60% of the Consideration; and

(b) the Company shall pay the second installment in an aggregate amount of RMB435,355,192 to the Vendor, being 40% of the Consideration, within eighteen months from the date on which the Target Company completes the registration procedures of industrial and commercial changes with the competent market regulation department for the Acquisition.

The Consideration was determined based on arm's length negotiations on normal commercial terms with reference to, among other things, (i) the preliminary valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), an independent valuer engaged by the Company for the Acquisition to determine the fair value of the 54.2384% equity interest in the Target Company, being RMB1,110,000,000 (the full text of the valuation report is set out in Appendix V to this circular) (the "**Valuation**"); and (ii) the recent business developments of the Target Company as set out in the section headed "Letter from the Board – 4. Information on the Parties – The Target Company" in this circular; and (iii) the reasons for and benefits of the Acquisition as set out in the section headed "Letter from the Board – 5. Reasons for and Benefits of the Acquisition" in this circular. The Vendor's 54.2384% equity interest in the Target Company is constituted by the initial acquisition of shares in May 2023, followed by three rounds of capital injections in February 2024, April 2025, and August to September 2025, respectively (please refer to the section headed "Appendix V – Valuation Report on the 54.2384% Equity Interest in the Target Company – Background of the Subject – Financing History" in this circular). The original acquisition costs and capital injections incurred by the Vendor for its 54.2384% equity interest in the Target Company were in the aggregate amount of RMB507,157,222. The reason for the material difference between the Consideration and the Vendor's aggregate original acquisition costs and capital injections for its 54.2384% equity interest in the Target Company, is primarily attributable to the significant business and clinical milestones achieved by the Target Company since the Vendor first acquired its shares, including but not limited to the MWN105's licensing agreement with Sidera (as defined below) which was entered into in 2025, various drug candidates of the Target Company such as MWN105 and MWN109 having entered Phase II clinical trials in 2025, and MWX203 having entered Phase II clinical trials in 2026, with several other drug candidates of the Target Company, such as MWX401, MWX205, and MWN110, having received approval to conduct clinical trials in 2026. Further, from the Valuation Date (as defined in Appendix V to this circular) up to the Latest Practicable Date, the drug candidates of the Target Company's pipeline did not experience any material adverse setback in their clinical development.

In light of (i) the promising clinical development of the Target Company's product pipeline since the original acquisition by the Vendor as further particularized in the sections headed "Letter from the Board – 4. Information on the Parties – The Target Company" and "Appendix III – Management discussion and Analysis of the Target Group – Business Review"; (ii) since the Vendor's original acquisition, the Target Company has completed a round of financing in 2025 to introduce renowned institutional investor Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership)# (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) and Guangxi Tencent Venture Capital Co., Ltd.# (廣西騰訊創業投資有限公司), and the Target Group has achieved revenue of approximately

RMB227 million for the year ended December 31, 2025; (iii) the benefits of the Acquisition as further particularized in the section headed "Letter from the Board – 5. Reasons for and Benefits of the Acquisition"; and (iv) the lack of any material difference between the Valuation and the Consideration, the Directors consider that the Consideration is fair and reasonable, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

The Company intends to finance the Consideration from its internal resources, which would also involve a proposed change in use of net proceeds (the "**Proposed Change in UOP**") received from the Global Offering. Further details of the Proposed Change in UOP are set out in the section headed "Letter from the Board – 7. Proposed Change in Use of Proceeds" in this circular.

In the event that the registration procedures of the industrial and commercial changes with the competent market regulation department for the Acquisition are delayed or cannot be completed, it shall constitute a breach of contract and the party in breach shall compensate the parties who are not in breach for any losses caused by such breach, as further particularized in the section headed "Letter from the Board – 2. The Acquisition – Liabilities for Breach" in this circular.

Valuation

In assessing the competence of JLL, the Board has reviewed JLL's qualifications, relevant licences, experience and track record in conducting valuations for Hong Kong listed companies and transaction-related valuations. The Board has also reviewed the qualifications and experience of the signatory of the valuation report, Mr. Simon M.K. Chan, who possesses extensive experience in business valuation and corporate advisory services. The Board therefore considers that JLL possesses the necessary qualifications, expertise and experience to undertake the Valuation.

In assessing the independence of JLL, the Board has discussed with JLL and reviewed its engagement terms. The Board understands that JLL's remuneration is not contingent upon the Valuation conclusion or the completion of the Acquisition. The Board is not aware of any relationship between JLL, the Company, the Vendor, the Target Company or any other interested party that would reasonably be regarded as affecting JLL's independence. Accordingly, the Board considers JLL to be independent in relation to the valuation assignment.

The Board has reviewed and discussed with JLL the valuation methodology, key assumptions and parameters adopted in the Valuation. The Board notes that JLL considered the market approach, cost approach and income approach and determined that the guideline transaction method under the market approach, with primary reference to the Series B+ financing round of the Target Company, was the most appropriate methodology in the circumstances. The Board notes that the Series B+ financing round represented the most recent financing transaction involving the equity of the Target Company itself and therefore provided direct market evidence of the price that an investor was willing to pay for an interest in the

Target Company, taking into account its development stage, business prospects and risk profile. The Board further notes that, given the Target Group remained at the research and development stage and had not established a long-term history of sustainable financial performance, the income approach and guideline public company method were subject to greater uncertainty and were therefore considered less appropriate.

The Board further reviewed the principal assumptions and parameters adopted by JLL, including, among others, the application of an equity allocation model, commonly referred to as the Option Pricing Model (the "**Option Pricing Model**") to allocate equity value among the different classes of equity interests, the expected volatility derived from selected comparable companies, the probability of statutory liquidation with reference to Moody's published default statistics, the adjustment for market movement between the Financing Date (as defined in Appendix V to this circular) and the Valuation Date (as defined in Appendix V to this circular), and the control premium adopted in the Valuation. Having considered the nature and development stage of the Target Company, the availability of market evidence from the Series B+ financing round, and the rationale provided by JLL for the selection of the valuation methodology, assumptions and parameters, the Board has not identified any material factor that would cause it to doubt the fairness and reasonableness of the Valuation. Accordingly, the Board considers the valuation methodology, key assumptions and parameters adopted by JLL to be fair and reasonable.

Closing

The completion of the Acquisition is conditional upon the satisfaction or waiver (where applicable) of the following conditions precedents (the "**Closing Conditions**"):

(i) the representations and warranties of the Vendor and the Target Company being true, accurate and complete as of the date of the Share Transfer Agreement and the Closing Date;

(ii) the Vendor and the Target Company having fulfilled and complied with all commitments and obligations set out in the Share Transfer Agreement that must be fulfilled or complied with on or before the Closing Date;

(iii) the Vendor having completed all internal decision-making procedures required for the execution of the Share Transfer Agreement and completing the transactions contemplated under the Share Transfer Agreement, and having obtained all necessary third-party consents (if required);

(iv) the Target Company having obtained all internal approvals and authorizations required to execute the Share Transfer Agreement, to complete the transactions contemplated under the Share Transfer Agreement, as well as to sign and amend its articles of association;

(v) the Company having completed all internal decision-making procedures required for the execution of the Share Transfer Agreement and completing the transactions contemplated under the Share Transfer Agreement, and having obtained all necessary third-party consents (if required), including approval of the Share Transfer Agreement by both the Board and the EGM;

(vi) no applicable laws and governmental orders or actions having been formulated, promulgated, implemented, or passed by any government authorities that may render the transactions contemplated under the Share Transfer Agreement illegal or otherwise restrict or prohibit the transactions contemplated under the Share Transfer Agreement; and

(vii) from the date of the Share Transfer Agreement, there having been no material adverse changes in the Target Company's condition (financial or otherwise), operating results, assets, regulatory status, business, or outlook; nor has there ever been one or more events that individually or collectively lead to a material adverse impact, and it is reasonably expected that events which could individually or jointly lead to a material adverse impact will not occur. "Material adverse impact" or "material adverse change" means the occurrence or non-occurrence of any matter, circumstance, or event, individually or together with the occurrence or non-occurrence of other matters, circumstances, or events, which (a) has, or could reasonably be expected to have, a material adverse effect on the business, operations, development, assets, properties, qualifications, prospects, financial condition, or results of operations of the Target Company, or (b) has, or could reasonably be expected to have, a material adverse effect on the ability of the Target Company to perform its obligations under the Share Transfer Agreement.

The completion of the Acquisition is scheduled to take place on the Closing Date, being the date on which the Company transfers the first instalment of the Consideration to the designated account of the Vendor upon the satisfaction or waiver (where applicable) of the Closing Conditions, or such other date as further agreed upon by the Vendor and the Company. From the Closing Date onwards, the Company shall enjoy full and complete ownership of the 54.2384% equity interest in the Target Company, free and clear of any encumbrances, and shall exercise all shareholder rights in accordance with the provisions of the Target Company's articles of association and other relevant documents. All rights, defenses, or claims held by the Vendor in respect of the 54.2384% equity interest in the Target Company shall be transferred to the Company concurrently on the Closing Date.

Closing Conditions (i), (ii) and (vii) above can be waived by the Company, while the remaining Closing Conditions are not waivable by any of the parties to the Share Transfer Agreement. As at the Latest Practicable Date, none of the Closing Conditions has been fulfilled or waived, and the Company has no intention to waive any of the Closing Conditions.

In the event where only the Share Transfer Agreement and the transactions contemplated thereunder are approved by the Independent Shareholders at the EGM and the Proposed Change in UOP is not approved by the Independent Shareholders at the EGM, the Company will utilize its internal resources and obtain bank loans to satisfy the Consideration instead.

Entitlement to Rights and Interests

Any undistributed profits, capital reserve, surplus reserve, and various funds allocated from after-tax profits accumulated by the Target Company prior to the Closing Date (if any) shall, as of the Closing Date, be enjoyed by the Company in respect of the distribution rights and beneficial interests corresponding to the 54.2384% equity interest in the Target Company.

As at the Latest Practicable Date, the Vendor does not have any right, defense or claim relating to the 54.2384% equity interest in the Target Company that may affect the title, valuation or transfer of such equity interest.

Post-closing Obligations

The Target Company shall, after the Closing Date and within the relevant time limit prescribed by applicable laws, apply to the competent market regulation department for the registration procedures of industrial and commercial changes in connection with the Acquisition, as well as the registration and filing procedures of the articles of association of the Target Company.

Liabilities for Breach

Any failure by any party to the Share Transfer Agreement to perform or properly perform its obligations, covenants, representations, or warranties under the Share Transfer Agreement, or if any representation or warranty made is untrue, inaccurate, or incomplete in any respect, shall constitute a breach of contract. The party in breach shall compensate the parties who are not in breach for any losses caused by such breach.

Termination

The parties are entitled to terminate the Share Transfer Agreement under any of the following circumstances:

(i) mutual written consent of all the parties under the Share Transfer Agreement; or

(ii) prior to the Closing Date, if any governmental authority issues any order, decree, or ruling, or takes any other action that restricts, prevents, or otherwise prohibits the transactions contemplated under the Share Transfer Agreement, and such order, decree, ruling, or other action is final and non-appealable, then the Company, the Vendor, and the Target Company shall each have the right to terminate the Share Transfer Agreement.

Dispute Resolution

Any dispute arising from the performance of or in connection with the Share Transfer Agreement shall first be resolved by the parties thereto through amicable negotiation. If no settlement can be reached, any party shall have the right to initiate a lawsuit with the People's Court of its place of domicile.

3. FINANCIAL EFFECT OF THE TRANSACTION

Upon completion of the Acquisition, the Company will own 54.2384% equity interest in the Target Company, and the Target Company will become a non-wholly owned subsidiary of the Company, and the results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, if the Acquisition had been completed on June 30, 2026, the total assets and total liabilities of the Enlarged Group would have increased to approximately RMB3,002.7 million and approximately RMB1,505.61 million, respectively. Further details of the unaudited pro forma financial information of the Enlarged Group immediately following the completion of the Acquisition are set out in Appendix IV to this circular.

As set out in Appendix II to this circular, for the year ended December 31, 2025, the audited consolidated revenue and profit after tax of the Target Group were approximately RMB226.90 million and RMB28.98 million, respectively. As the financial results of the Target Group would be combined with those of the Group after the completion of the Acquisition, the earnings of the Group would be affected by the performance of the Target Group from the completion of the Acquisition onwards. The Acquisition is expected to contribute towards broadening the revenue and earnings base for the Enlarged Group in the future.

The aforesaid financial impact is shown for illustrative purposes only. The actual financial effect of the Acquisition will be subject to the review and final audit by the auditors of the Company and may be different from the amount stated.

4. INFORMATION ON THE PARTIES

The Company

The Company is a joint stock limited liability company established in the PRC on January 29, 2021. The Group is a pioneer in China's structural heart disease interventional medical device industry. Centered around its globally leading biodegradable occluder technology, the Group has built a comprehensive solution platform that spans six major product pipelines, including congenital heart disease (CHD) occlusion, cardiogenic stroke prevention, and heart valves. The Group is dedicated to providing structural heart disease patients with full-process solutions ranging from diagnostic screening to interventional treatment.

The Vendor

The Vendor is a joint stock company incorporated in the PRC on June 11, 1999, the shares of which are listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300003). The Vendor focuses extensively on cardiometabolic diseases, and offers comprehensive, full-lifecycle product and service solutions to both doctors and patients. Its business portfolio encompasses three core segments: medical devices, pharmaceuticals, and medical services & healthcare management. As of the Latest Practicable Date, Lepu Medical was ultimately controlled as to 24.76% by Dr. Zhongjie Pu, together with the parties acting in concert with him. Dr. Zhongjie Pu is deemed as the actual controller (實際控制人) of the Vendor by the Shenzhen Stock Exchange.

The Target Company

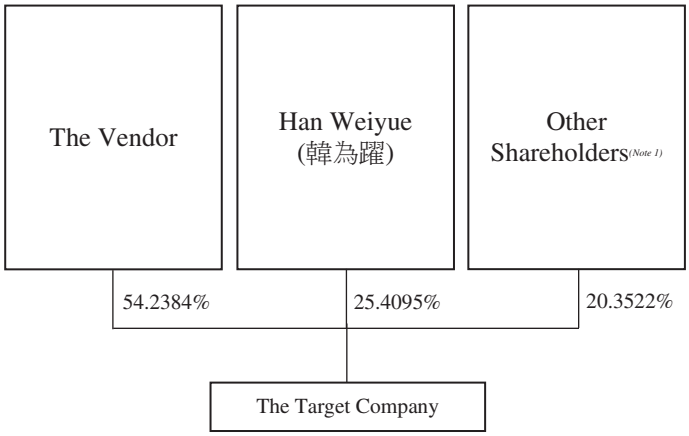
The Target Company is a limited liability company established in the PRC on April 20, 2021. It has a registered capital of RMB16,155,386 as of the Latest Practicable Date. The original acquisition costs and capital injections incurred by the Vendor for its 54.2384% equity interest in the Target Company were in the aggregate amount of RMB507,157,222. The Target Company focuses on the fields of cardiovascular, endocrine and metabolic diseases and their complications. It possesses the GPCR agonist screening platform LAGMA, the RAF™ ultra-long-acting molecule development platform and the Dual-siRNA development platform, enabling the screening of multi-target innovative drugs such as GLP-1/GIP, macromolecular antibodies with longer half-lives and lower clinical dosages, and innovative siRNA drugs with dosing intervals of six months or even longer. As at the Latest Practicable Date, the Target Company's drug candidate MWX203 injection (dyslipidemia indication) and the drug candidate MWN105 injection (obesity indication) are undergoing Phase II clinical trials; the drug candidate MWN109 tablet (obesity indication) has completed Phase II clinical dosing; the drug candidate MWN109 injection (obesity indication) has entered Phase III clinical trials; the drug candidate MWX401 injection (essential hypertension indication) is undergoing Phase I clinical trials; and the drug candidate MWN110 injection (weight management indication) is in Phase I clinical trials. The table below sets out R&D progress of the core products in the Target Company's novel drug candidate R&D pipeline:

Project	Target	Type	Indication	Dosage Form	Pre-clinical	Phase I	Clinical Phase II	Phase III
MWN101	GLP-1/ GIP/GCG	Fc fusion protein	Type 2 diabetes/obesity	Injection	√	√	√	
MWN105	GLP-1/GIP/ FGF21	Fc fusion protein	MASH	Injection	√	√	√	
MWX301	/	Fc fusion protein	Heart failure	Injection	√			

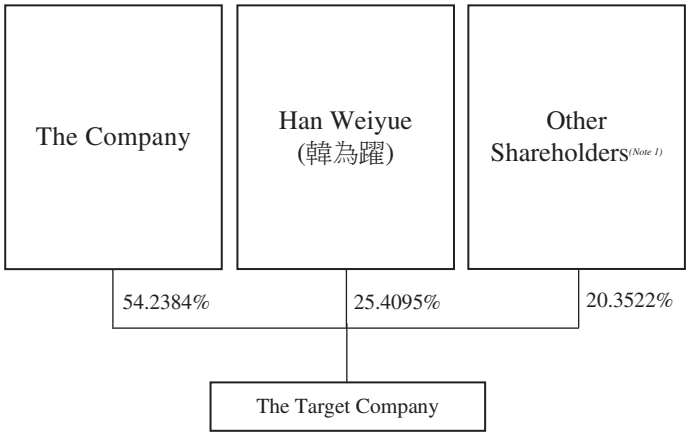
Project	Target	Type	Indication	Dosage Form	Pre-clinical	Clinical Phase I	Clinical Phase II	Clinical Phase III
MWN109	GLP-1/ GIP/GCG	Fatty acid chain-modified peptide	Type 2 diabetes/obesity/ OSA	Injection	√	√	√	√
				Tablet	√	√	√	
MWN110	ActRII a/b	Monoclonal antibody	Adult weight management	Injection	√	√		
MWN117	INHBE	siRNA	Overweight/obesity	Injection	√	√		
MWX203	Angptl3	siRNA	Dyslipidemia	Injection	√	√	√	
MWX205	PCSK9/ Angpt13	Dual-target siRNA	Dyslipidemia	Injection	√	√ (Australia)		
MWX401	AGT	siRNA	Essential hypertension	Injection	√	√		

In October 2025, the Target Company out-licensed the MWN105 injection, a Glucagon-Like Peptide-1/Glucose-Dependent Insulinotropic Polypeptide/Fibroblast Growth Factor 21 receptor tri-agonist with proprietary intellectual property rights, to Sidera Bio ApS ("**Sidera**") in Denmark. Sidera obtained exclusive rights to develop and commercialize the product globally, excluding the Greater China region (Mainland China, Hong Kong, Macau Special Administrative Region, and Taiwan region). Part of the out-licensing consideration will be settled by the allotment of shares in Sidera to the Target Company which represents a 9.99% equity stake in Sidera (on an issued and fully diluted basis). As at the Latest Practicable Date, the completion of the abovementioned allotment of shares by Sidera to the Target Company has not yet taken place, since it remains subject to the completion of the relevant overseas direct investment registration. Should the completion of the abovementioned allotment of shares by Sidera to the Target Company take place after the Closing Date, the Company will fulfill any applicable prescribed requirements under Chapter 14 of the Listing Rules in connection thereto based on the classification as determined with reference to the applicable percentage ratios under Rule 14.07 of the Listing Rules. Based on clinical development milestones and commercial sales volumes, Sidera will pay the Target Company cumulative milestone payments of up to US$1.01 billion. Furthermore, the Target Company is entitled to receive tiered royalties from Sidera based on actual annual net sales.

The shareholding structure of the Target Company as at the Latest Practicable Date



The shareholding structure of the Target Company immediately upon completion of the Acquisition



Notes:

1. The other shareholders of the Target Company comprise Qingdao Minxin Venture Capital Center (Limited Partnership)# (青島民芯創業投資中心(有限合夥)) (holding approximately 10.8787%), Dongguan Yunhan Enterprise Management Center (Limited Partnership)# (東莞雲瀚企業管理中心(有限合夥)) (holding approximately 1.8569%), Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership)# (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) (holding approximately 5.0002%), and Guangxi Tencent Venture Capital Co., Ltd.# (廣西騰訊創業投資有限公司) (holding approximately 2.6163%).

2. The total sum of the shareholding percentages may not add up to 100% due to rounding.

Mr. Han Weiyue is the founder of the Target Company, while the other shareholders of the Target Company are the employee shareholding platform of the Target Company (being Dongguan Yunhan Enterprise Management Center (Limited Partnership)# (東莞雲瀚企業管理中心(有限合夥)) and institutional investors of the Target Company. To the best of the

Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Han Weiyue and his associates, the other shareholders of the Target Company and each of their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Immediately after the completion of the Acquisition, as each of Mr. Han Weiyue and Qingdao Minxin Venture Capital Center (Limited Partnership)# (青島民芯創業投資中心(有限合夥)) hold more than 10% of shares in the Target Company and are as such the substantial shareholders of a subsidiary of the Company, Mr. Han Weiyue and Qingdao Minxin Venture Capital Center (Limited Partnership)# (青島民芯創業投資中心(有限合夥)) as well as each of their respective associates will become connected persons of the Company at the subsidiary level pursuant to Rule 14A.07 of the Listing Rules.

Financial Information of the Target Group

The following table sets forth the financial information attributable to the Target Group for the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 based on the audited financial statements prepared under the China Accounting Standards for Business Enterprises.

	For the years ended December 31,		**For the six months ended June 30,**
	2024	**2025**	**2026**
	(Audited)	*(Audited)*	*(Audited)*
	RMB	*RMB*	*RMB*
Revenue	50,000	226,896,196.22	0
Net profit before taxation	-151,281,859.87	-3,878,920.71	-229,018,852.04
Net profit after taxation	-107,623,923.09	28,979,972.07	-162,346,167.44

	As of December 31,		**As of June 30,**
	2024	**2025**	**2026**
	(Audited)	*(Audited)*	*(Audited)*
	RMB	*RMB*	*RMB*
Total assets	84,066,180.91	491,972,064.71	411,503,134.33
Net assets	70,360,344.50	427,182,538.57	264,836,371.13

5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company considers that the Acquisition will be beneficial to the Group's business development for the following reasons:

1. Building a dual-wheel drive model of "Innovative Devices + Innovative Drugs" to improve the strategic layout for full-cycle disease treatment

The Group has long been dedicated to the research, development, manufacturing, and commercialization of interventional medical devices for heart diseases, boasting a portfolio of over 30 marketed occluders, heart valves, and accessory products. Guided by clinical needs, the Group continues to refine its full-scenario product layout, continuously unlocking long-term growth potential. **In the field of congenital heart disease (CHD) intervention:** The Group has successfully completed generational product upgrades and iterations, transitioning from metal occluders to biodegradable occluders. **In the field of cardiogenic stroke prevention and control:** The Group has not only enriched its occluding product matrix but has also introduced access products such as radio-frequency puncture needles, forming a more comprehensive treatment solution. **In the field of heart valve diseases:** The ScienCrown® TAVR aortic valve product has successfully achieved commercialization, officially launching the growth curve for the heart valve business. **In the field of heart failure:** The Group is also making steady strategic advancements in cutting-edge areas, including mechanical circulatory support (MCS).

However, early intervention and prognosis management for certain cardiovascular diseases still rely primarily on pharmaceuticals, an area where the Group currently has no strategic layout. This Acquisition will effectively expand the Group's capability boundaries and product portfolio, which is expected to provide target patients with more diverse and comprehensive solutions while enhancing the overall competitiveness of the Group.

2. Acquiring scarce, differentiated innovative drug pipelines to enter high-growth metabolic and cardiovascular tracks

The Target Company focuses on the fields of cardiovascular, endocrine, and metabolic diseases, as well as their complications. It possesses the LAGMA platform for GPCR agonist screening, the RAF™ ultra-long-acting molecule development platform, and a Dual-siRNA development platform. These platforms enable the screening of multi-target innovative drugs (such as GLP-1/GIP), macromolecular antibodies with longer half-lives and lower clinical dosages, and innovative siRNA drugs with dosing intervals of six months or even longer. Leveraging these advanced technology platforms, the Target Company can consistently generate R&D pipelines with distinct, differentiated advantages.

GLP-1 Innovative Ecosystem: The global market for GLP-1 drugs is currently massive and maintaining high-speed growth, with domestic clinical demand rapidly surging. The Target Company has successfully developed an efficacy-leading triple-target GLP-1 drug, achieving continuous breakthroughs in both weight-loss injections and oral medications. Centered around MWN109, the Target Company has built an innovative ecosystem and R&D pipeline that includes MWN110 and MWN117, covering fat reduction, muscle gain, and weight maintenance.

Clinical Data Breakthroughs: Preliminary clinical data from Phase I trials of the oral formulation of MWN109 in China and Australia have both confirmed Best-in-Class (BIC) weight loss efficacy. In the Chinese Phase I trial, daily administration of the MWN109 oral tablet for 4 consecutive weeks resulted in a mean weight reduction ranging from 4.18% to 7.82%, demonstrating a clear dose-response relationship. This data outperforms published data over the same timeframe for current competitive oral GLP-1 weight loss drugs, both in development and on the market. Furthermore, in a Chinese Phase Ib trial of the MWN109 injection formulation, administration for 14 consecutive weeks led to a maximum mean body weight reduction relative to baseline of 16.67% in the treatment group, also outperforming published data over the same timeframe for existing competitive GLP-1 weight loss drugs in development and on the market.

Small Nucleic Acid (siRNA) Pipeline: Concurrently, the Target Company has systematically laid out single- and dual-target R&D pipelines related to cardiovascular diseases around its siRNA technology platform. Among these: MWX203 (Single-target siRNA, targeting Angptl3 for dyslipidemia) has completed its Phase I clinical trial and is currently undergoing Phase II clinical trials in patients with mixed hyperlipidemia. MWX401 (Single-target siRNA, targeting AGT for essential hypertension) has entered Phase I clinical trials. MWX205 (Dual-target siRNA, targeting PCSK9/Angptl3 for dyslipidemia) has entered Phase I clinical trials, making it the world's first PCSK9 and ANGPTL3 dual-target siRNA drug to enter the clinical stage.

3. Diversifying revenue sources and further enhancing long-term Shareholder returns

In October 2025, the Target Company out-licensed the MWN105 injection – a GLP-1/GIP/FGF21 receptor triple agonist developed with proprietary intellectual property rights – to Sidera for a fee. Sidera secured the exclusive rights to develop and commercialize the drug globally, excluding the Greater China region (comprising Mainland China, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan). As part of the consideration for this out-licensing transaction, Sidera will make an allotment of its shares to the Target Company which represents a 9.99% equity stake in Sidera (on an issued and fully diluted basis). Furthermore, based on subsequent clinical development and commercial sales milestones, Sidera will pay the Target Company cumulative milestone payments of up to US$1.01 billion. The Target Company is also entitled to receive corresponding tiered royalties from Sidera based on actual annual net sales. In 2025, through this business development out-licensing, the Target Company generated operating revenue of RMB226.8962 million from finished dosage forms (innovative drugs) for the first time. Driven by the continuous enhancement of domestic innovative drug R&D capabilities, out-licensing via business development collaborations to achieve overseas expansion and target global markets has become an irreversible and mainstream trend within the biopharmaceutical industry. The Target Company possesses a diverse portfolio of differentiated, innovative pipelines and has already demonstrated a successful track record in business development execution. In the future, it is expected to generate substantial revenue for the Group through

business development out-licensing upfront fees, milestone payments, and sales royalties, thereby expanding the Group's revenue sources. From a long-term perspective, this is anticipated to improve the Group's financial performance and ultimately enhance long-term Shareholder returns.

4. Leveraging internal synergy to achieve cost reduction and efficiency gains

Leveraging over 20 years of deep cultivation in the industry, the Group has established close cooperative relationships with renowned hospitals, physicians, and research institutions both domestically and internationally. Following the Acquisition, the Group can effectively empower the Target Company by integrating resources, thereby accelerating its R&D processes. By expanding the disease areas and R&D perspectives – combined with direct feedback from clinical needs – this integration is also expected to broaden the R&D horizons of both the Group and the Target Company, ultimately driving the development of more innovative drugs and medical devices. In addition, the Group has built a professional sales and marketing team with extensive commercialization experience in both domestic and overseas markets. This team can facilitate the future commercialization of the Target Company's products while maximizing the per-capita efficiency of the sales force.

Potential disadvantages and material risks

The Company considers that the Acquisition may pose certain potential disadvantages and material risks to the Group as (i) the drug candidates in the Target Company's pipeline may not ultimately be successfully developed and marketed, which represents uncertainty as to the timing at which the Target Company can become revenue-generating; (ii) the Target Company is a company principally engaged in the development of novel drug candidates that has not yet entered the commercialization stage, which will continue to incur a relatively significant amount of research and development expenses until one or more of its drug candidates reach the stage of commercialization, which could enhance the level of overall expenditure of the Group and reduce its profitability; and (iii) if the Proposed Change in UOP is approved by the Independent Shareholders, the Consideration would be satisfied by the reallocation of all unutilized net proceeds received from the Global Offering to fund the Group's potential strategic investments and acquisitions (as further particularized in the section headed "Letter from the Board – 7. Proposed Change in Use of Proceeds" of this circular), representing a change in the purpose of the net proceeds originally assigned. The Directors are of the view that the potential disadvantages and material risks set out in (i) and (ii) above are inherent and expected risks of a company engaged in novel drug development, and they remain confident that one or more drug candidates of the Target Company can reach the commercialization stage in the future, and the potential disadvantages and material risks set out in (iii) above will not have a material adverse effect on the Group's operations or original business plan as further particularized the section headed "Letter from the Board – 7. Proposed Change in Use of Proceeds" of this circular. As such, the Directors believe that the benefits brought about by the Acquisition can outweigh the abovementioned potential disadvantages and material risks.

Based on the above, the Directors believe that the terms of the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the Vendor is the controlling shareholder (as defined under the Listing Rules) of the Company which holds approximately 78.67% of the total issued share capital of the Company (which has taken into account Shares repurchased for cancellation but not yet cancelled), and 54.2384% of the Target Company's equity interest is held by the Vendor which renders the Target Company an associate (as defined under Chapter 14A of the Listing Rules) of the Vendor. Therefore, each of the Vendor and the Target Company is a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, save as Ms. Zhang Yuxin, Executive Director overseeing Research & Development of the Vendor, and Mr. Zhu Guanfu, the Vendor's Marketing Director for the Southern Region (Coronary Artery), and each of whom is a non-executive Director of the Company, are regarded as potentially having a material interest in the Share Transfer Agreement and the transactions contemplated thereunder, and have accordingly abstained from voting on the relevant resolution at the Board meeting, none of the Directors has any material interest in the Share Transfer agreement and the transactions contemplated thereunder, and none of them is required to abstain from voting on the relevant resolution at the Board meeting.

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Share Transfer Agreement and the transactions contemplated thereunder.

7. PROPOSED CHANGE IN USE OF PROCEEDS

As disclosed in the section headed "Letter from the Board – 2. The Acquisition – Consideration and Payment Schedule", the Company intends to finance the Consideration from its internal resources, which would also involve the Proposed Change in UOP, whereby all unutilized net proceeds received from the Global Offering allocated to fund the Group's research and development activities, sales and marketing activities, expand the Group's production capacity and strengthen the Group's manufacturing capabilities, and the Group's working capital and general corporate purposes, in the aggregate amount of approximately HK$160.8 million as of August 21, 2026, will be reallocated to fund the Group's potential

strategic investments and acquisitions. As such, the unutilized net proceeds from the Global Offering allocated to fund the Group's potential strategic investments and acquisitions will be increased from HK$24.9 million to HK$185.7 million as of August 21, 2026.

The table below illustrates further details on the Proposed Change in UOP:

Use of Proceeds	**Original Allocation of the Net proceeds from the Global Offering** *(HK$ million)*	**Utilized Amount as of August 21, 2026** *(HK$ million)*	**Unutilized amount as of August 21, 2026** *(HK$ million)*	**Amount of Unutilized Net Proceeds from the Global Offering to be reallocated to fund potential strategic investments and acquisitions under the Proposed Change in UOP** *(HK$ million)*	**Revised Allocation of the Unutilized Net Proceeds from the Global Offering** *(HK$ million)*
To fund our research and development activities	287.6	218.5	69.1	69.1	0
For our sales and marketing activities	137.9	85.9	52.0	52.0	0
To expand our production capacity and strengthen our manufacturing capabilities	28.4	19.1	9.3	9.3	0
To fund potential strategic investments and acquisitions	56.7	31.8	24.9	0	185.7
For our working capital and general corporate purposes	56.7	26.3	30.4	30.4	0
Total	567.3	381.6	185.7	160.8	185.7

The unutilized net proceeds from the Global Offering originally allocated to fund the Group's research and development activities, sales and marketing activities, expand the Group's production capacity and strengthen the Group's manufacturing capabilities, and the Group's working capital and general corporate purposes are no longer required as the Group has decided to use its own internal resources to fund these items instead.

Conditional upon the approval of the Share Transfer Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM, an ordinary resolution will be proposed at the EGM for the Independent Shareholders to consider and approve the Proposed Change in UOP. In other words, in the event where the Share Transfer Agreement and the transactions contemplated thereunder are not approved by the Independent Shareholders, the Proposed Change in UOP will not proceed as well.

The Proposed Change in UOP is a prudent decision made based on the actual circumstances of the Company, aligns better with the Company's development strategy and actual operating conditions, and is conducive to improving the efficiency of utilising the net proceeds from the Global Offering.

The Board confirms that there has been no material change in the nature of the Company's business as set out in the prospectus issued by the Company on October 27, 2022, and considers that the Proposed Change in UOP will not have any material adverse effect on the existing business and operations of the Group, as a majority of the net proceeds from the Global Offering has already been utilized, whereby the unutilized net proceeds from the Global Offering being subject to reallocation, which are in the aggregate amount of approximately HK$160.8 million as of August 21, 2026, represent approximately 28.34% of the total net proceeds from the Global Offering, and the Group as an alternative will use its own internal resources to fund the use of proceeds items which are subject to reallocation instead, rather than discontinuing its plans with these items in their entirety. The Proposed Change in UOP is in the interests of the Company and the Shareholders as a whole.

Pursuant to Article 52(XV) of the Articles of Association, the Shareholders' general meeting shall review and approve matters relating to the modification of use of raised funds. As such, the Proposed Change in UOP is subject to Shareholders' approval.

To the best of the Directors' knowledge, information and belief, Ms. Zhang Yuxin, Executive Director overseeing Research & Development of the Vendor, and Mr. Zhu Guanfu, the Vendor's Marketing Director for the Southern Region (Coronary Artery), and each of whom is a non-executive Director of the Company, are regarded as potentially having a material interest in the Proposed Change in UOP, and accordingly abstained from voting on the relevant resolution at the Board meeting.

Subject to the ordinary resolution on the Share Transfer Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the EGM, an ordinary resolution will be proposed at the EGM for the Independent Shareholders to consider and, if thought fit, approve the Proposed Change in UOP.

8. EGM AND PROXY ARRANGEMENT

The EGM will be held on Wednesday, December 2, 2026 at 10:30 a.m., at Conference Room, 5th Floor, Building 41, No. 258 Xinzhuan Highway, Songjiang District, Shanghai, the PRC, at which ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder, and the Proposed Change in UOP. Notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. The form of proxy has been sent to the Shareholders in accordance with the Listing Rules on November 12, 2026.

If you intend to appoint a proxy to attend the EGM, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same. The form of proxy should be returned to the H Share Registrar, in any event served by hand,

by post or by fax not less than 24 hours before the time designated for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

According to the Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. Therefore, the chairman of the EGM will demand a poll for each resolution of the EGM in accordance with Article 89 of the Articles of Association.

On a poll, each Shareholder (or, if the Shareholder is a company, its duly authorized representative) who attends the EGM in person or by proxy may have one vote for each Share registered in its name in the register of members of the Company. Shareholders entitled to more than one vote need not use all their voting rights or use all their voting rights in the same way.

All Shareholders who have a material interest in the Share Transfer Agreement and the transactions contemplated thereunder as well as the Proposed Change in UOP, and their close associates (including the Vendor and its close associates Beijing Target Medical Technologies Co., Ltd.# (北京天地和協科技有限公司), a wholly-owned subsidiary of the Vendor, who are interested in an aggregate of 268,860,000 Shares, representing approximately 78.67% of the total issued share capital of the Company (which has taken into account Shares repurchased for cancellation but not yet cancelled), among which approximately 77.85% of such interest is held by the Vendor and approximately 0.82% of such interest is held by Beijing Target Medical Technologies Co., Ltd., and two employee stock ownership platforms involving employees of the Vendor, namely Ningbo Jiadu Enterprise Management Partnership (Limited Partnership) (寧波嘉度企業管理合夥企業(有限合夥)) and Ningbo Jiacheng Own Funds Investment Partnership (Limited Partnership) (寧波嘉呈自有資金投資合夥企業(有限合夥)) (and which Ms. Wang Yong, a supervisor of the Company, is interested in), who are interested in an aggregate of 2,056,000 Shares, representing approximately 0.59% of the total issued share capital of the Company (which has taken into account Shares repurchased for cancellation but not yet cancelled)), will be required to abstain from voting on the relevant resolutions at the EGM. Save as disclosed above, no other Shareholders are required abstain from voting at the EGM as at the Latest Practicable Date.

9. CLOSURE OF REGISTER OF MEMBERS

To determine the list of Shareholders entitled to attend the EGM, the register of members of the Company will be closed from Friday, November 27, 2026 to Wednesday, December 2, 2026 (both days inclusive), during which no transfer of Shares will be effected. Shareholders whose names appear on the Company's register of members on Wednesday, December 2, 2026 shall be entitled to attend and vote at the EGM. To be eligible to attend and vote at the EGM, all transfer documents shall be delivered, no later than 4:30 p.m. on Thursday, November 26, 2026, to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

10. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 25 to 26 of this circular and the letter from the Independent Financial Adviser set out on pages 27 to 65 of this circular, which contains, among others, its advice and recommendation to the Independent Board Committee and the Independent Shareholders in connection with the Share Transfer Agreement and the transactions contemplated thereunder and the principal factors considered by it in arriving at its advice and recommendation.

The Independent Board Committee, having taken into account the advice and recommendation of the Independent Financial Adviser, is of the opinion that (i) despite the Acquisition being beneficial to the Group's business development given, among others, the Group is principally engaged in the research, development, manufacturing, and commercialization of interventional medical devices for heart diseases, and its capability boundaries and product portfolio in this regard can be expanded by the Acquisition as pharmaceuticals in connection with early intervention and prognosis management for certain cardiovascular diseases which are provided by the Target Group can give target patients more diverse and comprehensive solutions while enhancing the overall competitiveness of the Group (please refer to the section headed "Letter from the Board – 5. Reasons for and Benefits of the Acquisition" in this circular for further details), the Acquisition is not conducted in the ordinary and usual course of business of the Group as the Group is not engaged in the business model or principal activity of acquiring businesses, assets and/or companies; and (ii) nevertheless, the terms and conditions of the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

Therefore, the Directors, including the independent non-executive Directors, consider that (i) despite the Acquisition being beneficial to the Group's business development given, among others, the Group is principally engaged in the research, development, manufacturing, and commercialization of interventional medical devices for heart diseases, and its capability boundaries and product portfolio in this regard can be expanded by the Acquisition as pharmaceuticals in connection with early intervention and prognosis management for certain cardiovascular diseases which are provided by the Target Group can give target patients more diverse and comprehensive solutions while enhancing the overall competitiveness of the Group (please refer to the section headed "Letter from the Board – 5. Reasons for and Benefits of the Acquisition" in this circular for further details), the Acquisition is not conducted in the ordinary and usual course of business of the Group as the Group is not engaged in the business model or principal activity of acquiring businesses, assets and/or companies; and (ii) nevertheless, the terms of the Share Transfer Agreement and the transactions contemplated therein are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors, including the independent non-executive Directors, recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the terms of the Share Transfer Agreement and the transactions contemplated therein.

The Directors also consider that the Proposed Change in UOP is in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

11. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*
樂普心泰醫療科技(上海)股份有限公司
Ms. Chen Juan
Chairman of the Board and Executive Director

LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*
樂普心泰醫療科技(上海)股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2291)

November 12, 2026

To the Independent Shareholders:

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION
ACQUISITION OF 54.2384% EQUITY INTEREST
IN THE TARGET COMPANY

We refer to the circular of the Company to the Shareholders dated November 12, 2026 (the "Circular"), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter have the same meanings given to them in the section headed "Definitions" of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable and in the interests of Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Share Transfer Agreement and the transactions contemplated thereunder, as set out on pages 27 to 65 of the Circular and the letter from the Board set out on pages 4 to 24 of the Circular.

Having considered the information contained in the letter from the Board, and the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as stated in its letter of advice, we consider (i) despite the Acquisition being beneficial to the Group's business development given, among others, the Group is principally engaged in the research, development, manufacturing, and commercialization of interventional medical devices for heart diseases, and its capability boundaries and product portfolio in this regard can be expanded by the Acquisition as pharmaceuticals in connection with early intervention and prognosis management for certain cardiovascular diseases which are provided by the Target Group can give target patients more diverse and comprehensive solutions while enhancing the overall competitiveness of the Group (please refer to the section headed "Letter from the Board

– 5. Reasons for and Benefits of the Acquisition" in this circular for further details), the Acquisition is not conducted in the ordinary and usual course of business of the Group as the Group is not engaged in the business model or principal activity of acquiring businesses, assets and/or companies; and (ii) nevertheless, the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the resolution in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of the
Independent Board Committee of
LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*
樂普心泰醫療科技(上海)股份有限公司
Ms. Chan Ka Lai Vanessa
Mr. Zheng Yufeng
Mr. Zheng Junwei
Independent Non-executive Directors

The following is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of incorporation in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

November 12, 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sir/Madam,

MAJOR AND CONNECTED TRANSACTION
ACQUISITION OF 54.2384% EQUITY INTEREST IN
SHANGHAI MINWEI BIOTECHNOLOGY CO., LTD.

INTRODUCTION

We refer to our appointment to advise the independent board committee and the independent shareholders of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd. (the "**Company**") in relation to the acquisition of 54.2384% equity interest in Shanghai Minwei Biotechnology Co., Ltd. (the "**Acquisition**"). Details of the Acquisition are set out in the "Letter from the Board" (the "**Board Letter**") contained in the circular of the Company dated November 12, 2026 (the "**Circular**"), of which this letter forms part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On August 21, 2026, the Company, the Vendor and the Target Company entered into the Share Transfer Agreement, pursuant to which the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, an aggregate of 54.2384% equity interest (the "**Target Interest**") in the Target Company at the Consideration of RMB1,088,387,980 in cash.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 14.06 of the Listing Rules. As at the Latest Practicable Date, the Vendor is the controlling shareholder (as defined under the Listing Rules) of the Company which holds approximately 78.67% of the total issued share capital of the Company, and 54.2384% of the Target Company's equity interest is held by the Vendor which renders the Target Company an associate (as defined under Chapter 14A of the Listing Rules)

of the Vendor. Therefore, each of the Vendor and the Target Company is a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the Acquisition will also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Acquisition is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising all independent non-executive Directors, namely Ms. Chan Ka Lai Vanessa, Mr. Zheng Yufeng and Mr. Zheng Junwei, has been formed to advise the Independent Shareholders in relation to the Share Transfer Agreement and the transactions contemplated thereunder. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard (the "**Engagement**").

As at the Latest Practicable Date, Somerley Capital Limited does not have any relationships or interests with the Company and/or the Vendor that could reasonably be regarded as a hindrance to the independence of Somerley Capital Limited as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the Engagement. In the past two years, there has been no other engagement between the Company and Somerley Capital Limited. During the past two years preceding the Latest Practicable Date, apart from normal professional fees paid or payable to us in connection with the Engagement, no arrangement exists whereby we will receive any fees or benefits from the Company.

In formulating our advice, we have reviewed, among other things, the Share Transfer Agreement, the annual reports of the Company for each of the two years ended December 31, 2024 ("**FY2024**") and December 31, 2025 ("**FY2025**"), the interim report of the Company (the "**2026 Interim Report**") for the six months ended June 30, 2026 ("**1H2026**"), the valuation report of the Target Interest (the "**Valuation Report**") as set out in Appendix V to the Circular, and other information as contained in the appendices to the Circular. We have also discussed the businesses and future prospects of the Group with the management of the Group (the "**Management**"). We have relied on the information as contained in the Circular and the information and facts supplied, and the opinions expressed, by the Directors and the Management, and have assumed that they are true, accurate and complete in all material aspects at the time they were made and will remain so up to the time of the EGM. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted or withheld from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our opinion and recommendation as set out in this letter. However, we have not conducted any independent investigation into the business and affairs of the Group, the Target Company, the Vendor and their respective associates, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the Acquisition, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1. Business of the Group

The Company is a joint stock limited liability company established in the PRC on January 29, 2021. The Company is a pioneer in China's structural heart disease interventional medical device industry. Centered around its globally leading biodegradable occluder technology, the Company has built a comprehensive solution platform that spans six major product pipelines, including congenital heart disease (CHD) occlusion, cardiogenic stroke prevention, and heart valves. The Company is dedicated to providing structural heart disease patients with full-process solutions ranging from diagnostic screening to interventional treatment. As at August 21, 2026 (being the date of the 2026 Interim Report), the Group had a total of 32 marketed products (including occluders, heart valves and accessory products), three products under registration review or preparation stage, and 27 product candidates in various stages of research and development.

1.2. Financial information of the Group

The table below summarises the financial information of the Group for each of FY2024 and FY2025 as extracted from the Company's 2025 annual report, and for the period of 1H2026 together with the corresponding period of six months ended June 30, 2025 ("**1H2025**") as extracted from the 2026 Interim Report, respectively.

	1H2026	**1H2025**	**FY2025**	**FY2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total operating income (Revenue)	310,137	329,705	527,944	471,644
Total operating costs	148,015	123,008	266,136	194,044
Operating profit	170,289	210,773	276,541	286,136
Net profit and profit attributable to shareholders of the Company	146,541	182,024	239,728	245,560

	As at June 30, 2026 *RMB'000*	As at December 31, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
Current assets	1,566,696	1,428,311	1,417,423
Non-current assets	677,638	670,615	665,609
Current liabilities	239,559	60,675	84,422
Non-current liabilities	1,113	1,300	1,560
Total equity and equity attributable to shareholders of the Company	2,003,661	2,036,951	1,997,049

We have reviewed the financial performance and financial position of the Group for the above period. We have also reviewed the Company's annual reports and the 2026 Interim Report, and have also discussed with the Management regarding the financial performance and financial position of the Group. Set out below are details of our analysis.

(a) Financial performance

1H2026 vs 1H2025

Total operating income (i.e. revenue) of the Group decreased by approximately 5.9% from approximately RMB329.7 million for 1H2025 to approximately RMB310.1 million for 1H2026. Revenue from CHD occluder products and revenue from cardioembolic stroke prevention products are the two largest revenue contributors of the Group during 1H2026, contributing to approximately 39.4% and approximately 39.7% of the Group's revenue respectively. Pathway products and heart valve products are the third and fourth largest revenue contributors of the Group, contributing to approximately 14.1% and 6.8% of the Group's revenue for 1H2026. The decrease in revenue in 1H2026 as compared to 1H2025 is mainly due to the decrease in revenue from CHD occlude products by approximately 24.0% from approximately RMB160.6 million for 1H2025 to approximately RMB122.1 million for 1H2026 and the decrease in revenue from heart valve products of approximately RMB18.9 million, which were partially offset by the increase in revenue from cardioembolic stroke prevention products by approximately 50.6% from approximately RMB81.7 million for 1H2025 to approximately RMB122.9 million for 1H2026. The decrease in revenue from CHD occlude products was mainly due to the decrease in sales volume and product price due to the implantation of centralized procurement measures initiated in late 2025. The decrease in revenue from heart valve products was mainly due to the decrease in terminal prices during the period as a result of the price governance initiatives for the first batch of high-value medical consumables launched by the National Healthcare Security Administration in 2026. On the other hand, the increase in revenue from cardioembolic stroke prevention products was mainly due to increases in both volume and price in the period.

Total operating costs of the Group increase from approximately RMB123.0 million in 1H2025 to approximately RMB148.0 million in 1H2026. Such increase was mainly due to (i) the increase in operating costs from approximately RMB45.4 million in 1H2025 to approximately RMB55.7 million in 1H2026; and (ii) increase in selling expenses from approximately RMB43.3 million in 1H2025 to approximately RMB55.9 million in 1H2026. The aforementioned increase in operating costs was primarily attributable to increase in raw materials and consumables costs and increase in amortization of intangible assets. For selling expenses, the aforementioned increase was mainly due to an increase in labor costs as a result of the Group's business development needs to expand the marketing team and increase marketing personnel and increase in various fees such as market fees, travel and transportation fees and exhibition fees, due to the successful commercialization of several new products of the Group.

As a result of the aforementioned changes in total operating income and total operating costs of the Group, the Group recognised a net profit and profit attributable to shareholders of the Company of approximately RMB146.5 million in 1H2026, representing a decrease of approximately RMB35.5 million as compared to 1H2025.

FY2025 vs FY2024

Total operating income (i.e. revenue) of the Group increased by approximately 11.9% from approximately RMB471.6 million for FY2024 to approximately RMB527.9 million for FY2025. Revenue from CHD occluder products represented the largest revenue contributor of the Group for both FY2024 and FY2025, contributing to approximately half of the Group's revenue. The increase in revenue of the Group in FY2025 as compared to FY2024 is mainly contributed to the revenue contributed by heart valve products of approximately RMB54.2 million in FY2025 following the registration approval from the NMPA at the end of 2024 and officially commercialization in early 2025 of the Group's ScienCrown® TAVR (transcatheter aortic valve replacement) system.

Total operating costs of the Group increased from approximately RMB194.0 million in FY2024 to approximately RMB266.1 million in FY2025, representing an increase of approximately 37.2%. Such increase was mainly due to (i) increase in operating costs from approximately RMB47.6 million in FY2024 to approximately RMB81.0 million in FY2025; and (ii) increase in selling expenses from approximately RMB71.1 million in FY2024 to approximately RMB106.8 million in FY2025. The aforementioned increase in operating costs was primarily attributable to the gradual expansion of the Group's product lines, including the commercialization of heart valve products in early 2025 and their outstanding performance, which resulted in an increase in related costs, and also the increase in costs of materials for other products due to the increase in output and sales volume. Regarding the aforementioned increase in selling expenses of the Group, such increase was primarily attributable to (i) an increase of approximately RMB26.7 million in labour costs as a result of the Company's business development needs to expand the marketing team and increase marketing personnel; and (ii) a total increase of

approximately RMB9.6 million in various fees such as marketing fees, travel and transportation fees and exhibition fees in relation to the successful commercialization of several new products of the Group.

As a result of the aforementioned changes in total operating income and total operating costs of the Group, the Group recognised a net profit and profit attributable to shareholders of the Company of approximately RMB239.7 million in FY2025, a slight decrease of approximately 2.4% from RMB245.6 million in FY2024.

(b) Financial position

The Group's level of current assets and non-current assets are relatively stable between FY2024 and FY2025. Non-current liabilities of the Group are not material at the end of both FY2024 and FY2025. Current liabilities of the Group decreased from approximately RMB84.4 million at the end of FY2024 to approximately RMB60.7 million at the end of FY2025, which was mainly due to the decrease in accounts payable and taxes payable. For 1H2026, the Group continued to record immaterial non-current liabilities and the amount of non-current assets was similar to that as at the end of FY2025. The Group had current assets of approximately RMB1,566.7 million at period end of 1H2026, representing an increase of approximately RMB138.4 million as compared to the end of FY2025. Such increase was mainly due to the increase in accounts receivable of approximately RMB49.1 million and recognition of financial assets held for trading of RMB50.0 million. The above was mainly due to slowing down of settlement by customers during the period and the short-term structured deposits not yet matured as at the end of the period. The Group current liabilities at the end of 1H2026 increased significantly by approximately RMB178.9 million as compared to the end of FY2025, which was mainly due to the increase in other payables as a result of recognition of dividend payable.

As at the end of 1H2026, major assets of the Group include cash at bank and on hand of approximately RMB1,237.3 million, intangible assets of approximately RMB214.9 million, development expenses of approximately RMB199.1 million and accounts receivable of approximately RMB134.1 million.

As at the end of 1H2026, major liabilities of the Group include other payables of approximately RMB177.6 million and taxes payable of approximately RMB23.5 million.

As at the end of 1H2026, the Group did not have any loans or borrowings from banks. On the other hand, it had cash at bank and on hand of approximately RMB1,237.3 million. The gearing ratio (calculated as total liabilities divided by total assets) of the Group was approximately 10.7%.

2. Reasons for and benefits of the Acquisition

As discussed in this letter above, the Group is principally engaged in the research, development, manufacture and commercialization of interventional medical devices primarily targeting structural heart diseases. The Company has consistently adhered to the strategic policy of "innovation-driven, quality-first, and internationalized development", and it is always the Company's strategy to optimize its full-scenario product layout and continuously unlock long-term growth space.

Benefits of the Acquisition:

We have discussed with the Management and reviewed the Board Letter, and understand that the reasons for and benefits of the Acquisition are mainly as follows:

(i) Building a dual-wheel drive model of "Devices + Innovative Drugs" to improve the strategic layout for full-cycle disease treatment

The Company has long been dedicated to the research, development, manufacturing, and commercialization of interventional medical devices for heart diseases, boasting a portfolio of over 30 marketed occluders, heart valves, and accessory products. Guided by clinical needs, the Company continues to refine its full-scenario product layout, continuously unlocking long-term growth potential.

- **In the field of congenital heart disease (CHD) intervention:** The Company has successfully completed generational product upgrades and iterations, transitioning from metal occluders to biodegradable occluders.

- **In the field of cardiogenic stroke prevention and control:** The Company has not only enriched its occluding product matrix but has also introduced access products such as radio-frequency puncture needles, forming a more comprehensive treatment solution.

- **In the field of heart valve diseases:** The ScienCrown® TAVR aortic valve product has successfully achieved commercialization, officially launching the growth curve for the heart valve business.

- **In the field of heart failure:** The Company is also making steady strategic advancements in cutting-edge areas, including mechanical circulatory support (MCS).

However, early intervention and prognosis management for certain cardiovascular diseases still rely primarily on pharmaceuticals, an area where the Company currently has no strategic layout. The Acquisition will effectively expand the Company's capability boundaries and product portfolio, which is expected to provide target patients with more diverse and comprehensive solutions while enhancing the overall competitiveness of the Company.

Our view

We have reviewed the information of the Group, including the business and financial information of the Group, with details set out in the section headed "1. Information on the Group" of this letter above. We have also reviewed the prospectus of the Company dated October 27, 2022. Based on our review, we noted that the Company has always been engaged in the research, development, manufacturing, and commercialization of interventional medical devices for heart diseases. There has been no material change to the Group's principal businesses since its listing on the Stock Exchange. As part of the Group's development strategy, the Group has continued to optimize its full-scenario product layout.

On the other hand, based on our review, we also noted that the current products and pipeline projects of the Group are mainly medical devices. We are advised by the Management that early intervention and prognosis management for certain cardiovascular diseases still rely primarily on pharmaceuticals. Based on our discussion with the Management and our review of related literature (details as set out in this section below), we understand that early intervention, baseline therapy and prognosis management of certain cardiovascular diseases, such as heart failure, stroke and heart disease would still rely primarily on pharmaceuticals. At the same time, patients of these diseases are always suggested to carry out relevant measures as part of the prevention and prognosis management, such as weight, blood-glucose, blood-pressure and blood-lipid control. Based on our review of the product brochure of the Target Company and our discussion with the Target Company, we noted that the Target Group focuses on the fields of cardiovascular, endocrine, and metabolic diseases, as well as their complications. GLP-1, being one of the major products of the Target Group, is also found to help reducing the risk of major adverse cardiovascular events. In particular, we understand that the Company and the Target Company would be able to supplement each other in the following areas:

Heart failure: Heart failure is an indication directly addressed by products in pipelines of both the Company and the Target Company. According to the 2024 Guidelines for the Diagnosis and Treatment of Heart Failure in China (https://rs.yiigle.com/cmaid/1495488) which is published in Chinese Journal of Cardiology and jointly supervised by Chinese Society of Cardiology and Chinese Medical Association, managing risk factors, such as hypertension, dyslipidemia, coronary heart disease, and diabetes, is a critical intervention strategy. The Target Company's primary pipeline products target these exact indications. Pharmacotherapy serves as the primary early-stage intervention, and the Target Company has directly deployed therapeutic drugs for heart failure. On the other hand, the Company's focus of device therapy is utilized in advanced stages, which aligns with the Target Company's product offerings.

Stroke: According to the Chinese Expert Consensus on the Treatment of Cardiogenic Stroke (2022) (https://rs.yiigle.com/cmaid/1356104) which is published by Chinese Journal of Cardiology and jointly supervised by the Chinese Society of Neurology and Vascular Neurology Professional Committee of Beijing Neuroscience Society, and the Chinese Guidelines for the Management of Severe Stroke (2024) (https://rs.yiigle.com/cmaid/1508549) which is published in Chinese Journal of Cardiology and jointly supervised by Chinese Society of Neurology and Chinese Stroke Society, general management includes controlling blood glucose, blood pressure and blood lipids, which are vital for stroke prevention and prognosis. This area is directly addressed by the biopharmaceutical pipeline of the Target Company.

In addition, we understand that the Target Group had 48 research and development staff as at June 30, 2026, among them, 3 hold Ph.D. degrees (6.25%) and 22 hold Master's degrees (45.83%). The core research and development staff had more than 15 years of experience in the areas of research and development of pharmaceuticals.

Based on the above, we concur with the Management that the Acquisition will help expand the Group's capability boundaries and product portfolio, which will help the Group further optimizing its full-scenario layout for full-cycle disease treatment.

(ii) Acquiring scarce, differentiated innovative drug pipelines to enter high-growth metabolic and cardiovascular tracks

The Target Company focuses on the fields of cardiovascular, endocrine, and metabolic diseases, as well as their complications. It possesses the LAGMA platform for GPCR agonist screening, the RAF™ ultra-long-acting molecule development platform, and a Dual-siRNA development platform. These platforms enable the screening of multi-target innovative drugs (such as GLP-1/GIP), macromolecular antibodies with longer half-lives and lower clinical dosages, and innovative siRNA drugs with dosing intervals of six months or even longer. Leveraging these advanced technology platforms, the Target Company can consistently generate R&D pipelines with distinct, differentiated advantages.

- **GLP-1 Innovative Ecosystem:** The global market for GLP-1 drugs is currently massive and maintaining high-speed growth, with domestic clinical demand rapidly surging. The Target Company has successfully developed an efficacy-leading triple-target GLP-1 drug, achieving continuous breakthroughs in both weight-loss injections and oral medications. Centered around MWN109, the Target Company has built an innovative ecosystem and R&D pipeline that includes MWN110 and MWN117, covering fat reduction, muscle gain, and weight maintenance.

- **Clinical Data Breakthroughs:** Preliminary clinical data from Phase I trials of the oral formulation of MWN109 in China and Australia have both confirmed Best-in-Class (BIC) weight loss efficacy. In the Chinese Phase I trial, daily administration of the MWN109 oral tablet for 4 consecutive weeks resulted in a mean weight reduction ranging from 4.18% to 7.82%, demonstrating a clear dose-response relationship. This data outperforms published data over the same timeframe for current competitive oral GLP-1 weight loss drugs, both in development and on the market. Furthermore, in a Chinese Phase Ib trial of the MWN109 injection formulation, administration for 14 consecutive weeks led to a maximum mean body weight reduction relative to baseline of 16.67% in the treatment group, also outperforming published data over the same timeframe for existing competitive GLP-1 weight loss drugs in development and on the market.

- **Small Nucleic Acid (siRNA) Pipeline:** Concurrently, the Target Company has systematically laid out single- and dual-target R&D pipelines related to cardiovascular diseases around its siRNA technology platform. Among these: MWX203 (Single-target siRNA, targeting Angptl3 for dyslipidemia) has completed its Phase I clinical trial and is currently undergoing Phase II clinical trials in patients with mixed hyperlipidemia. MWX401 (Single-target siRNA, targeting AGT for essential hypertension) has entered Phase I clinical trials. MWX205 (Dual-target siRNA, targeting PCSK9/Angptl3 for dyslipidemia) has entered Phase I clinical trials, making it the world's first PCSK9 and ANGPTL3 dual-target siRNA drug to enter the clinical stage.

Our view

Based on our discussion with the Target Company and our review of approval documents from NMPA, we concur with the Management that the Target Group possess a differentiated drug pipelines which have entered various clinical trial stages. According to the abstraction of the Report on Cardiovascular Health and Diseases in China 2025 (https://www.besjournal.com/article/doi/10.3967/bes2026.073#:~:text=According%20to%20the%20data%2C%20CVD%20remains%20the,and%20the%20high%20prevalence%20of%20risk%20factors.) which jointly compiled by the National Center for cardiovascular diseases, Fuwai Hospital and Chinese Academy of Medical Sciences, cardiovascular disease represents the primary cause of mortality in China, accounting for 48.98% of deaths in rural areas and 47.35% of deaths in urban areas (representing approximately 2 in every 5 deaths nationwide) in 2025. The overall cardiovascular disease patient base is estimated at 330 million individuals, with the crude incidence rate among Chinese adults aged 18 and above reaching 639.46 per 100,000 population. Furthermore, the report indicates that key metabolic risk factors including hypertension, dyslipidemia, and type 2 diabetes—are exhibiting rising prevalence rates and now affect hundreds of millions of individuals across China. The findings highlight that the widespread epidemic of metabolic risk factors continues to outweigh the counteracting benefits of healthcare system advancements, posing substantial structural challenges for primary disease prevention. As set out above, we understand that the Target Group had over 40 research and development staff as at June 30, 2026, and the core research and development staff had more than 15 years of experience in the areas of research and development of pharmaceuticals. The solid pipeline projects outlay and strong capabilities of R&D team of the Target Group will allow the Target Group to continue its R&D in different innovative drug products.

(iii) Diversifying revenue sources and further enhancing long-term Shareholder returns

In October 2025, the Target Company out-licensed the MWN105 injection – a GLP-1/GIP/FGF21 receptor triple agonist developed with proprietary intellectual property rights – to Sidera for a fee. Sidera secured the exclusive rights to develop and commercialize the drug globally, excluding the Greater China region (comprising Mainland China, the Hong Kong Special Administrative Region, the Macau Special

Administrative Region, and Taiwan). As part of the consideration for this out-licensing transaction, Sidera will make an allotment of its shares to the Target Company which represents a 9.99% equity stake in Sidera. Furthermore, based on subsequent clinical development and commercial sales milestones, Sidera will pay the Target Company cumulative milestone payments of up to US$1.01 billion. The Target Company is also entitled to receive corresponding tiered royalties from Sidera based on actual annual net sales. In 2025, through this business development out-licensing, the Target Company generated operating revenue of RMB226.8962 million from finished dosage forms (innovative drugs) for the first time. Driven by the continuous enhancement of domestic innovative drug R&D capabilities, out-licensing via business development collaborations to achieve overseas expansion and target global markets has become an irreversible and mainstream trend within the biopharmaceutical industry. The Target Company possesses a diverse portfolio of differentiated, innovative pipelines and has already demonstrated a successful track record in business development execution. In the future, it is expected to generate substantial revenue for the Company through business development out-licensing upfront fees, milestone payments, and sales royalties, thereby expanding the Company's revenue sources. From a long-term perspective, this is anticipated to improve the Company's financial performance and ultimately enhance long-term Shareholder returns.

Our view

We have reviewed the financial information of the Target Group and further details of our review are set out in the section headed "3.4 Financial information of the Target Group" of this letter below. We noted that the Target Group has recognised a revenue of approximately RMB226.9 million during FY2025, which was attributed to the licensing income from Sidera. We have also obtained and reviewed the licensing agreement entered into between the Target Company and Sidera dated October 29, 2025. Based on our review, we noted that the Target Group would be entitled to income to be received from Sidera for the out-licensing of MWN105 injection. We believe that this evidenced the capabilities of the Target Group in R&D of products and licensing arrangements to generate revenue.

(iv) Leveraging internal synergy to achieve cost reduction and efficiency gains

Leveraging over 20 years of deep cultivation in the industry, the Company has established close cooperative relationships with renowned hospitals, physicians, and research institutions both domestically and internationally. Following the Acquisition, the Company can effectively empower the Target Company by integrating resources, thereby accelerating its R&D processes. By expanding the disease areas and R&D perspectives – combined with direct feedback from clinical needs – this integration is also expected to broaden the R&D horizons of both the Company and the Target Company, ultimately driving the development of more innovative drugs and medical devices. In addition, the Company has built a professional sales and marketing team with extensive

commercialization experience in both domestic and overseas markets. This team can facilitate the future commercialization of the Target Company's products while maximizing the per-capita efficiency of the sales force.

Our view

We have discussed with the Management and understand that the Group has good and close relationships with different hospitals, physicians and research institutions. We agree that such relationship would help the Target Group to further develop and commercialise its products. With the aforementioned benefits from the Acquisition, it is expected that the Acquisition will not only bring in various benefits to the Group, but also allows the Group to better unlock the development potential of the Target Group after the Acquisition, which in turn will contribute to the financial performance of the Group.

Funding requirements:

As set out in the Board Letter, the Company intends to finance the Consideration from its internal resources, which would also involve a proposed change in use of net proceeds received from the Global Offering (the "**Proposed Change in UOP**"). Further details of the Proposed Change in UOP are set out in the section headed "Proposed Change in Use of Proceeds" of the Board Letter. We have discussed with the Management and reviewed a breakdown of the unutilised proceeds from the Global Offering as at June 30, 2026. Based on our discussion and review, we note that the unutilised amount of proceeds from the Global Offering amounted to approximately HK$189.3 million as at June 30, 2026. On the other hand, the Group had cash at bank and on hand of approximately RMB1,237.7 million as at June 30, 2026. The Consideration for the Acquisition of approximately RMB1,088.4 million, of which 60% of the Consideration of approximately RMB653.0 million will be settled upon the fulfilment or waiver by the Vendor of the Closing Conditions, and 40% of the Consideration of approximately RMB435.4 million will be paid within eighteen months from the date on which the Target Company completes the registration procedures of industrial and commercial changes with the competent market regulation department for the Acquisition. The Management expects that the Group will continue to have sufficient resources to carry out its daily operations, including but not limited continuous research and development of its pipeline projects, following completion of the Acquisition.

As part of our due diligence, we have reviewed the 2025 annual report of the Company and noted that the Group has recorded positive cash inflow from operations of approximately RMB222.5 million and RMB221.1 million for FY2024 and FY2025 respectively. We have also discussed with the Management regarding their estimation on the working capital of the Enlarged Group after completion of the Acquisition. We are advised by the Management, and also noted from Appendix I to the Circular, that the Directors, after due and careful enquiry and after taking into account the financial resources available to the Enlarged Group as at the Latest Practicable Date, including the internally generated funds, other financing facilities available and the effects of the

acquisition of 54.2384% equity interest in the Target Company, are of the opinion that the Enlarged Group will have sufficient working capital to satisfy the Enlarged Group's requirements for at least the twelve months from the date of the circular (the "**Working Capital Statement**"). We have also obtained and reviewed the working capital forecast prepared by the Directors in relation to the Working Capital Statement and assessed the key bases and assumptions thereunder. Based on our discussion with the Management, the working capital forecast had been prepared after considering, among other things, (i) the historical financial performance and position of the Group and the Target Group; and (ii) future operational plans of the Group and the Target Group. We also noted that the Company's auditors, BDO CHINA Shu Lun Pan Certified Public Accountants LLP has confirmed to the Company that the Working Capital Statement has been made by the Directors after due and careful enquiry.

Accordingly, we concur with the Management that the Group will have sufficient resources to complete the Acquisition and to carry out its on-going operations following completion of the Acquisition.

Our view:

Having considered the reasons and benefits of the Acquisition as mentioned above, in particular that (i) the Acquisition will bring in enhancement to the Group's strategic layout for full-cycle disease treatment; (ii) the Group will be able to tap into the high-potential metabolic and cardiovascular pharmaceutical markets through the Acquisition and (iii) the Group will establish a secondary growth engine following the completion of the Acquisition as evidenced by the successful out-licensing of one of the Target Group's core product of MWN105 injection, we consider that although the Acquisition is not in the ordinary and usual course of business of the Group as the Group is not engaged in the business model or principal activity of acquiring business, assets and/or companies, the Acquisition is in the interests of the Company and the Shareholders as a whole.

3. Background and financial information of the Target Group

Details of the Target Group, including its background, shareholding structure, business, pipeline projects and financial information, are set out in the Board Letter and also Appendix II and Appendix III to the Circular. Below is a summary of the key information of the Target Group.

3.1. Business of the Target Group

The Target Company is a limited liability company established in the PRC on April 20, 2021. It has a registered capital of RMB16,155,386 as of the Latest Practicable Date. The Vendor's 54.2384% equity interest in the Target Company is constituted by the initial acquisition of shares in May 2023, followed by three rounds of capital injections in February 2024, April 2025, and August to September 2025. The original acquisition costs and capital

injections incurred by the Vendor for its 54.2384% equity interest in the Target Company were in the aggregate amount of RMB507,157,222. The Target Company focuses on the fields of cardiovascular, endocrine and metabolic diseases and their complications. It possesses the GPCR agonist screening platform LAGMA, the RAF™ ultra-long-acting molecule development platform and the Dual-siRNA development platform, enabling the screening of multi-target innovative drugs such as GLP-1/GIP, macromolecular antibodies with longer half-lives and lower clinical dosages, and innovative siRNA drugs with dosing intervals of six months or even longer. As at the Latest Practicable Date, the Target Company's drug candidate MWX203 injection (dyslipidemia indication) and the drug candidate MWN105 injection (obesity indication) are undergoing Phase II clinical trials; the drug candidate MWN109 tablet (obesity indication) has completed Phase II clinical dosing; the drug candidate MWN109 injection (obesity indication) has entered Phase III clinical trials; the drug candidate MWX401 injection (essential hypertension indication) is undergoing Phase I clinical trials; and the drug candidate MWN110 injection (weight management indication) is in Phase I clinical trials.

3.2. Core products of the Target Group

The table below sets out R&D progress of the core products in the Target Company's novel drug candidate R&D pipeline:

Project	Target	Type	Indication	Dosage Form	Pre-clinical	Phase I	Clinical Phase II	Phase III
MWN101	GLP-1/GIP/GCG	Fc fusion protein	Type 2 diabetes/ obesity	Injection	√	√	√	
MWN105	GLP-1/GIP/FGF21	Fc fusion protein	MASH	Injection	√	√	√	
MWX301	/	Fc fusion protein	Heart failure	Injection	√			
MWN109	GLP-1/GIP/GCG	Fatty acid chain-modified peptide	Type 2 diabetes/ obesity/OSA	Injection	√	√	√	√
				Tablet	√	√	√	
MWN110	ActRII a/b	Monoclonal antibody	Adult weight management	Injection	√	√		
MWN117	INHBE	siRNA	Overweight/ obesity	Injection	√	√		
MWX203	Angptl3	siRNA	Dyslipidemia	Injection	√	√	√	
MWX205	PCSK9/Angpt13	Dual-target siRNA	Dyslipidemia	Injection	√	√ (Australia)		
MWX401	AGT	siRNA	Essential hypertension	Injection	√	√		

Diabetes and other metabolic diseases represent a heavy health burden worldwide. Characterized by high prevalence and life-threatening symptoms, metabolic diseases are chronic conditions that impose a continuous financial burden. The ongoing challenges in their treatment and prevention have resulted in unmet clinical needs, creating significant market opportunities for innovative therapies and solutions. According to data from Frost & Sullivan, the global and Chinese market sizes for metabolic disease drugs reached USD145.4 billion and USD16.4 billion in 2024, respectively. These markets are expected to grow to USD191.6 billion and USD24.5 billion by 2028, representing compound annual growth rates (CAGR) of 7.1% and 10.6% from 2024 to 2028, respectively. The Target Group's pipeline of novel drugs cover the fields of (1) diabetes, overweight and obesity; (2) MASH; (3) dyslipidemia; and (4) essential hypertension, details of each of them are set out below.

(1) Diabetes, overweight and obesity

According to Frost & Sullivan data, the global and Chinese diabetes drug market sizes reached USD99.3 billion and RMB71.2 billion in 2024, respectively. These markets are expected to grow to USD123.2 billion and RMB97.9 billion by 2028, representing compound annual growth rates (CAGR) of 5.6% and 8.3% from 2024 to 2028, respectively. Comparatively, GLP-1-based therapies can prevent and mitigate life-threatening complications of diabetes. By simultaneously improving glycemic control, weight management, and multiple metabolic abnormalities, they are leading a new paradigm in metabolic disease treatment. This shifts the focus from simple blood sugar control to a multi-dimensional, comprehensive intervention known as "one drug, multiple efficacies". China's GLP-1 drug market is still in its infancy with a currently low penetration rate, representing strong growth potential. Frost & Sullivan data shows that GLP-1 diabetes drugs accounted for 41.1% of the global diabetes drug market in 2024, whereas they only accounted for 14.2% in China. According to their projections, China's GLP-1 diabetes drug market will increase from RMB10.1 billion in 2024 to RMB43.7 billion in 2028, and further expand to RMB84.8 billion by 2034.

The rising number of obese and overweight individuals can lead to a series of chronic diseases and cause various social issues. Data from Frost & Sullivan indicates that the global market for obesity and overweight drugs stood at USD16.9 billion in 2024, and is projected to grow to USD36.9 billion by 2028 and USD57.7 billion by 2034. China's obesity and overweight drug market was RMB4.2 billion in 2024, with a projected CAGR of 31% from 2024 to 2028, and a CAGR of 37% from 2028 to 2034. Analysis from Frost & Sullivan reveals that due to their exceptional efficacy and favorable safety profiles, GLP-1 receptor agonists have become the primary drugs for treating overweight and obesity in the global market. In 2024, GLP-1 obesity and overweight drugs accounted for 86.6% of the total global market for obesity and overweight medications, and this market share is expected to reach 91.5% by 2028. China's first GLP-1 drug for the treatment of obesity and overweight was approved in 2023. In 2024, approved GLP-1 receptor agonists and other types of drugs accounted for 9.1% and 90.9% of China's total overweight and obesity market, respectively. With increased clinical adoption and the market entry of more GLP-1 receptor agonists, their market share is poised for rapid growth in the future.

Despite the massive success achieved by GLP-1 therapies, monotherapy for weight loss is accompanied by a 20% to 40% loss of muscle mass. Furthermore, issues such as weight-loss plateaus and weight rebound after drug discontinuation remain unresolved. The industry is seeking breakthroughs through two major technological avenues: 1) Multi-target synergy. GLP-1/GIP/GCG triple receptor agonists activate three incretin-related receptors. Building upon GLP-1's appetite suppression and GIP's improved blood sugar regulation, they overlay the GCGR pathway's direct stimulation of energy expenditure and fat metabolism, achieving a generational leap in efficacy. 2) Combination therapies that reduce fat while preserving muscle. Monoclonal antibody drugs, such as those targeting ActRII a/b, can simultaneously promote muscle growth and accelerate lipolysis by blocking the ActRII a/b signaling pathway. On the other hand, siRNA drugs, such as those targeting INHBE, are backed by human genetic validation; by precisely silencing the INHBE gene, they reduce visceral fat accumulation from the source while preserving muscle mass.

The Target Company has developed a pipeline of multiple innovative products in the fields of diabetes, overweight, and obesity, including MWN101, MWN109, MWN110, and MWN117. Details of some of these products are as follows:

MWN109

MWN109 injection and oral tablets are self-developed GLP-1/GIP/GCG receptor triple agonists of the Target Company, with full global intellectual property rights. The indications are type 2 diabetes, obesity, and obstructive sleep apnea (OSA). Preliminary clinical data from Phase I trials in China and Australia for the oral formulation of MWN109 have confirmed that its weight-loss efficacy achieves best-in-class (BIC) potential. Specifically, in the Chinese Phase I trial, daily administration of MWN109 oral tablets for 4 consecutive weeks resulted in a mean weight reduction ranging from 4.18% to 7.82%, demonstrating a clear dose-response relationship. This data outperforms currently published data for the same period from other oral GLP-1 weight-loss drugs currently under development or already on the market. For the injection formulation of MWN109, in a Chinese Phase Ib trial with 14 weeks of continuous administration, the treatment group achieved a maximum mean weight reduction from baseline of up to 16.67%. This data also surpasses currently published data for the same period from comparable GLP-1 weight-loss drugs under development or marketed.

MWN110

MWN110 injection is a self-developed monoclonal antibody targeting ActRIIA/B by the Target Company, with full global intellectual property rights. The indication is adult weight management. Non-clinical study results show that in pharmacokinetic and pharmacodynamic (PK/PD) studies on spontaneously obese rhesus monkeys, MWN110 monotherapy significantly reduced the animals' body fat percentage and body weight while increasing muscle mass. When MWN110 was combined with semaglutide, it significantly suppressed the muscle loss typically caused by semaglutide monotherapy. Compared to the positive control Bimagrumab, MWN110 achieved equivalent efficacy at

only 1/3 of the dose. Furthermore, after multiple administrations, the half-life of MWN110 was more than three times longer than that of the positive control, allowing for subcutaneous administration in planned clinical trials. Meanwhile, safety evaluation trials have demonstrated that MWN110 possesses a favorable safety profile. MWN110 is expected to bring clinical benefits that differentiate it from traditional GLP-1 drugs, including body fat reduction, muscle maintenance, and minimized weight rebound. Based on current inquiries, no comparable drugs have been approved for marketing either domestically or internationally.

MWN117

MWN117 injection is a self-developed siRNA drug targeting the inhibition of INHBE by the Target Company, with full global intellectual property rights. The indications are overweight or obesity. Non-clinical study results indicate that in pharmacodynamic studies on spontaneously obese rhesus monkeys, MWN117 monotherapy significantly reduced the animals' body fat percentage and visceral fat while increasing muscle mass. When combined with a GLP-1 receptor agonist, MWN117 worked synergistically to reduce animal body weight, body fat, and visceral fat, with the weight reduction significantly exceeding that of the GLP-1 receptor agonist alone. It also significantly suppressed the muscle loss induced by GLP-1 receptor agonist monotherapy. A single injection of MWN117 demonstrated an efficacy duration lasting up to 12 weeks. Concurrently, safety evaluation trials showed that MWN117 has a favorable safety profile. MWN117 is expected to deliver differentiated clinical benefits compared to traditional GLP-1 receptor agonists, such as reduction of body fat and preservation of muscle, while offering a lower dosing frequency. Based on current inquiries, no comparable drugs have been approved for marketing either domestically or internationally.

(2) MASH

The global market for MASH-related drugs is poised to sustain rapid development. Data from Frost & Sullivan indicates that the global MASH drug market stood at USD3.4 billion in 2024 and is projected to expand to USD16.4 billion by 2028 and USD53.6 billion by 2034. In China, the MASH drug market size was RMB1.3 billion in 2024, which is expected to reach RMB6.5 billion by 2028 and scale up to RMB35.8 billion by 2034. Currently, there are no approved therapies for MASH in China, leaving a massive unmet medical need. Existing treatment options, such as hepatoprotective medications, only alleviate symptoms without addressing the root cause of the disease. The approval of innovative GLP-1 receptor agonist drug candidates is expected to close this therapeutic gap. The Target Company has strategically positioned its MWN105 product within the MASH sector, details of which are as follows:

MWN105

MWN105 injection is a self-developed GLP-1/GIP/FGF21 receptor triple agonist of the Target Company, with full global intellectual property rights. The indication is MASH.

In October 2025, the Target Company out-licensed the MWN105 injection, a Glucagon-Like Peptide-1/Glucose-Dependent Insulinotropic Polypeptide/Fibroblast Growth Factor 21 receptor tri-agonist with proprietary intellectual property rights, to Sidera Bio ApS ("**Sidera**") in Denmark. Sidera obtained exclusive rights to develop and commercialize the product globally, excluding the Greater China region (Mainland China, Hong Kong, Macau Special Administrative Region, and Taiwan region). Part of the out-licensing consideration will be settled by the allotment of shares in Sidera to the Target Company which represents a 9.99% equity stake in Sidera (on an issued and fully diluted basis). As at the Latest Practicable Date, the completion of the abovementioned allotment of shares by Sidera to the Target Company has not yet taken place, since it remains subject to the completion of the relevant overseas direct investment registration. Should the completion of the abovementioned allotment of shares by Sidera to the Target Company take place after the Closing Date, the Company will fulfill any applicable prescribed requirements under Chapter 14 of the Listing Rules in connection thereto based on the classification as determined with reference to the applicable percentage ratios under Rule 14.07 of the Listing Rules. Based on clinical development milestones and commercial sales volumes, Sidera will pay the Target Company cumulative milestone payments of up to US$1.01 billion. Furthermore, the Target Company is entitled to receive tiered royalties from Sidera based on actual annual net sales.

(3) Dyslipidemia

Cardiovascular disease (CVD), primarily atherosclerotic cardiovascular disease (ASCVD), is the leading cause of death among both urban and rural residents in China, accounting for over 40% of all deaths. Substantial evidence from epidemiological, genetic, and clinical intervention studies has fully confirmed that dyslipidemia is the third largest risk factor for ASCVD, with low-density lipoprotein cholesterol (LDL-C) acting as a pathogenic risk factor for ASCVD. In 2024, the global prevalence of dyslipidemia among adults was approximately 40%, affecting 3.222 billion people, and this number is projected to increase to 3.673 billion by 2034. According to Frost & Sullivan data, the global market size for lipid-lowering drugs grew from USD18.9 billion in 2019 to USD24.0 billion in 2024, representing a CAGR of 4.9%. It is projected to reach USD35.3 billion by 2029 and USD41.6 billion by 2034, with a CAGR of 8.0% from 2024 to 2029 and a CAGR of 3.4% from 2029 to 2034.

PCSK9 has been widely validated as an effective target for lowering LDL-C while reducing the risk of ASCVD. Inclisiran, the world's first approved PCSK9 siRNA lipid-lowering drug, has become the first small nucleic acid drug in the chronic disease field to achieve "blockbuster" status, validating the commercial potential of long-acting siRNA technology in chronic disease management scenarios. ANGPTL3 siRNA offers a broad-spectrum lipid-lowering effect. Compared to PCSK9 inhibitors, which only lower LDL-C, and APOC3 siRNA, which only lowers triglycerides (TG), ANGPTL3 siRNA can simultaneously reduce both TG and LDL-C levels, demonstrating potential for treating mixed hyperlipidemia. In the cardiovascular field, single-target RNAi lipid-lowering drugs have relatively narrow mechanisms of action; multi-target siRNA represents a promising solution for regulating complex multi-genic disorders.

The Target Company has strategically positioned its MWX203 and MWX205 products within the dyslipidemia sector, details of the MWX205 product are as follows:

MWX205

The small interfering RNA (siRNA) drug MWX205 injection simultaneously inhibits two key targets: PCSK9 and ANGPTL3. This dual-targeting strategy is expected to achieve comprehensive control across multiple lipid metrics in a single administration, significantly enhancing clinical benefits for patients. Non-clinical study results demonstrate that in rhesus monkeys with spontaneous dyslipidemia, MWX205 simultaneously and significantly reduced the protein levels of both PCSK9 and ANGPTL3, achieving maximum inhibition rates of 82.21% and 94.41%, respectively, with the inhibitory effects sustained until the study endpoint at 12 weeks. It also demonstrated significant lowering effects on the animals' LDL-C, TG, and total cholesterol (TC), with maximum reduction rates of 74.28%, 82.30%, and 52.13%, respectively. In the same animal model, the positive control Inclisiran showed maximum reduction rates of 60.94%, 4.06%, and 33.39%, respectively. Furthermore, results from multiple safety evaluation trials indicate that MWX205 possesses a favorable safety profile. MWX205 injection is currently the world's first dual-targeting PCSK9 and ANGPTL3 siRNA drug to enter the clinical stage.

(4) Essential Hypertension

According to Frost & Sullivan data, the global number of patients with hypertension increased from 1.54 billion in 2020 to 1.59 billion in 2024, and is projected to further increase to 1.66 billion by 2029 and reach 1.73 billion by 2034. In China, the number of hypertension patients grew from 330 million in 2020 to 350 million in 2024, and is expected to reach 380 million by 2029 and 420 million by 2034, representing a growth rate that outpaces the global market during the same period. In 2024, China's hypertension awareness and treatment rates (52%; 46%) were significantly lower than those of the United States (83%; 73%). The hypertension control rate remains extremely low, particularly in China at 17%, compared to 49% in the United States. Uncontrolled and refractory hypertension affects approximately 34.8% of the hypertensive population in China, imposing a heavy disease burden.

Traditional hypertension medications include diuretics, sympathetic modifiers, and calcium channel blockers. The discovery of the RAAS (renin-angiotensin-aldosterone system) marked a breakthrough in hypertension management, shifting the focus from simply lowering blood sugar to regulating the biological mechanisms of underlying diseases and protecting organs. Traditional RAAS inhibitors primarily block the RAAS activation cascade by interfering with different reaction steps. In contrast, the development strategy for novel RAAS inhibitors focuses on precision therapy, improved compliance, and full-lifecycle management. AGT siRNA represents the next frontier. Angiotensinogen (AGT), produced by the liver, sits at the top of the RAAS cascade. Because AGT is generated in large quantities and maintains high circulating levels, traditional AGT inhibitors struggle to achieve stable and controllable reductions in AGT levels, and broad upstream inhibition lacks precision. Liver-targeted siRNA

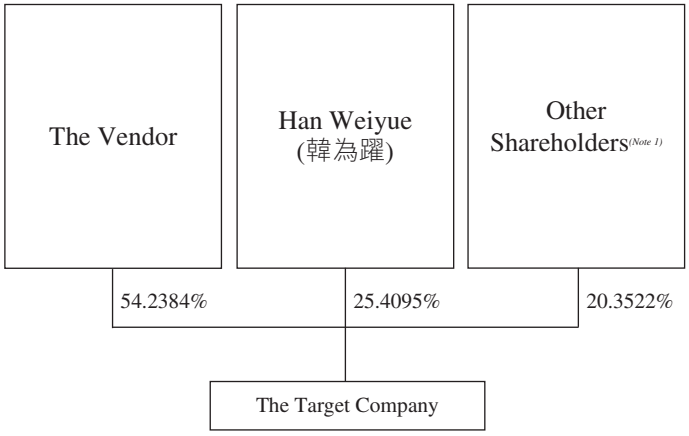
therapies can achieve sustained, scalable, and regulated AGT reduction directly in the liver, providing more stable RAAS inhibition and mitigating compliance issues. The Target Company has strategically positioned its MWX401 product within the essential hypertension sector, details of which are as follows:

MWX401

MWX401 injection is a self-developed small interfering RNA (siRNA) drug of the Target Company, with full global intellectual property rights. The indication is the treatment of essential hypertension. Non-clinical study results demonstrate that MWX401 can significantly reduce serum target protein levels, mRNA levels, systolic blood pressure, and diastolic blood pressure in humanized mice with induced hypertension. In spontaneously hypertensive rhesus monkeys, a single subcutaneous administration of MWX401 injection at different doses markedly decreased the animals' AGT levels, while significantly reducing both systolic and diastolic blood pressure. This effect demonstrated a clear dose-response relationship and outperformed the positive control, valsartan. The reduction in blood pressure was sustained until the study endpoint, with the drug's efficacy lasting for at least 12 weeks in animals. Concurrently, safety evaluation trials indicated that MWX401 possesses a favorable safety profile.

3.3. Shareholding structure

Set out below is a group structure of the Target Group as at the Latest Practicable Date:



Notes:

1. The other shareholders of the Target Company comprise Qingdao Minxin Venture Capital Center (Limited Partnership)# (青島民芯創業投資中心(有限合夥)) (holding approximately 10.8787%), Dongguan Yunhan Enterprise Management Center (Limited Partnership)# (東莞雲瀚企業管理中心(有限合夥)) (holding approximately 1.8569%), Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership)# (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) (holding approximately 5.0002%), and Guangxi Tencent Venture Capital Co., Ltd.# (廣西騰訊創業投資有限公司) (holding approximately 2.6163%).

2. The total sum of the shareholding percentages may not add up to 100% due to rounding.

Mr. Han Weiyue is the founder of the Target Company, while the other shareholders of the Target Company are the employee shareholding platform of the Target Company (being Dongguan Yunhan Enterprise Management Center (Limited Partnership) (東莞雲瀚企業管理中心(有限合夥)) and institutional investors of the Target Company.

3.4. Financial information of the Target Group

We have reviewed and discussed with the Management the financial information of the Target Group including the accountants' report on the Target Company as contained in Appendix II to the Circular for the three years ended December 31, 2023 ("**FY2023**"), FY2024 and FY2025, and the six months of 1H2026 (the "**Relevant Periods**") prepared in accordance with the China Accounting Standards for Business Enterprises ("**CASBE**"). Set out below are details of our analysis.

(a) Financial performance

	1H2026 *RMB'000*	**1H2025** *RMB'000*	**FY2025** *RMB'000*	**FY2024** *RMB'000*	**FY2023** *RMB'000*
Total operating income (Revenue)	–	–	226,896	50	526
Total operating costs	229,678	95,651	232,134	151,665	54,392
- Research and development expenses	*216,313*	91,564	217,671	142,002	51,866
- Administrative expenses	*9,561*	4,140	13,955	9,110	2,219
Operating profit/(loss)	(229,019)	(95,636)	(4,362)	(151,690)	(53,420)
Income tax expenses/(credit)	(66,673)	(27,829)	(32,859)	(43,658)	–
Net profit/(loss) and profit/(loss) attributable to shareholders of the parent company	(162,346)	(67,474)	28,980	(107,624)	(50,987)

Revenue

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the revenue of the Target Company was approximately RMB0.53 million, RMB0.05 million, RMB226.90 million, nil and nil, respectively. The Target Company has not yet commercialized its products, and save for the upfront payment from an exclusive license agreement as further particularized below, its revenue is primarily derived from sporadic technical services, resulting in a small scale of revenue. In 2023, the Target Company recognized a total of RMB0.53 million in revenue from recombinant

protein expression and purification services, as well as process development services. In 2024, it only recognized sporadic revenue of RMB0.05 million from QC testing services, representing a decrease of approximately 90.57% compared to 2023. In 2025, in addition to sporadic purification service revenue of RMB0.14 million, the Target Company signed an exclusive license agreement for MWN105 Injection with Sidera, recognizing a total revenue of USD32.00 million (equivalent to approximately RMB226.75 million) from the one-time upfront payment and the complete delivery of initial technology and IND materials. Primarily due to the low base effect from the same period of the previous year, revenue increased significantly by approximately 453,700% compared to 2024. As the aforementioned license agreement was signed in October 2025, and the sporadic purification service revenue was also generated in the second half of 2025, no relevant revenue was generated in the first half of 2025. For 1H2026, no revenue was recognized as the milestone stages stipulated in the contract had not yet been reached. Consequently, the revenue of the Target Company was nil for both 1H2025 and 1H2026.

Operating costs

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the cost of sales of the Target Company was approximately RMB0.20 million, RMB0.04 million, RMB0.06 million, nil and nil, respectively. The operating costs of the Target Company primarily consist of staff remuneration directly related to the provision of technical services. In 2023 and 2024, the Target Company's revenue was mainly derived from recombinant protein expression and purification services, process development services, and QC testing services. Accordingly, the corresponding operating costs fluctuated in line with the scale of service revenue. From 2023 to 2024, operating costs decreased by approximately 81.18% due to the decline in revenue. In 2025, the Target Company's revenue was primarily generated from the exclusive license income of MWN105 Injection, which carried no corresponding operating costs; only the sporadic purification service revenue incurred direct staff remuneration costs. Consequently, from 2024 to 2025, operating costs rose by approximately 54.65% along with the increase in purification service revenue. As no revenue was generated in either the first half of 2025 or the first half of 2026, the operating costs were nil for both 1H2025 and 1H2026.

Gross profit

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the gross profit of the Target Company was approximately RMB0.33 million, RMB0.01 million, RMB226.84 million, nil and nil, respectively. As revenue decreased significantly by approximately 90.57% while the decline in operating costs was relatively smaller (approximately 81.18%) due to a certain degree of rigidity in staff remuneration costs, gross profit consequently decreased by approximately 96.01% from 2023 to 2024. From 2024 to 2025, the Target Company recognized exclusive license income from MWN105 Injection, which carried no corresponding operating costs, with only sporadic purification services incurring a small amount of staff remuneration costs.

Driven by the low base effect from the same period of the previous year, gross profit surged significantly by approximately 1,719,083.97% from 2024 to 2025. As no operating revenue was generated and no corresponding operating costs were incurred in either the first half of 2025 or the first half of 2026, the gross profit was nil for both the six months ended June 30, 2025, and the six months ended June 30, 2026.

R&D expenses

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the R&D expenses of the Target Company were approximately RMB51.87 million, RMB142.00 million, RMB217.67 million, RMB91.56 million and RMB216.31 million, respectively. R&D expenses primarily consist of (1) staff costs; (2) materials, utilities, manufacturing, and inspection fees; (3) design and clinical trial expenses; (4) outsourced R&D expenses; (5) depreciation and amortization; and (6) others. From 2023 to 2024, as R&D projects progressed, the number of pipelines entering Phase I clinical trials increased. This drove up design and clinical trial expenses by RMB52.70 million, and materials, utilities, manufacturing, and inspection fees by RMB31.67 million, resulting in a significant increase of approximately 173.76% in R&D expenses from 2023 to 2024. From 2024 to 2025, the number of pipelines entering Phase I clinical trials continued to grow, and certain Phase I clinical projects progressed to Phase II clinical stage. This led to an increase of RMB63.97 million in design and clinical trial expenses, and RMB16.97 million in materials, utilities, manufacturing, and inspection fees, causing R&D expenses to increase by approximately 53.29% from 2024 to 2025. Furthermore, as multiple early-stage clinical projects successively advanced to Phase II and Phase III clinical stages, design and clinical trial expenses increased by RMB48.12 million, and materials, utilities, manufacturing, and inspection fees increased by RMB75.09 million, which resulted in a substantial increase of approximately 136.24% in R&D expenses for 1H2026, compared to 1H2025.

Administrative expenses

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the administrative expenses of the Target Company were approximately RMB2.22 million, RMB9.11 million, RMB13.95 million, RMB4.14 million and RMB9.56 million, respectively. Administrative expenses primarily consist of (1) staff costs; (2) consulting service fees; (3) depreciation and amortization; and (4) office expenses, among others. Due to the expansion of the Target Company's scale, the enlargement of the back-office management team led to a significant increase in staff costs. Concurrently, office expenses, depreciation of fixed assets, and amortization of long-term prepaid expenses increased accordingly, resulting in a significant increase of approximately 310.36% in administrative expenses from 2023 to 2024. Driven by the continuous growth in consulting service fees and staff costs, where the increase in consulting service fees stemmed from overseas business development fees paid for the MWN105 project upon receiving the client's payments corresponding to the license income, and the growth in staff costs was primarily attributable to headcount expansion

and the accrual of milestone bonuses related to the license income, administrative expenses increased by approximately 53.13% from 2024 to 2025. Furthermore, due to a sharp year-on-year increase in both staff costs and consulting service fees, with the consulting service fees arising from the payment of overseas business development fees for the MWN105 project following the receipt of payments in the first half of 2026 (whereas the fees for the corresponding prior period were recognized in the second half of 2025), and the growth in staff costs resulting from headcount expansion, both factors jointly led to a significant increase of approximately 130.92% in administrative expenses for 1H2026, compared to 1H2025.

Income tax expenses

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the income tax expenses of the Target Company were approximately nil, RMB43.66 million (tax credit), RMB32.86 million (tax credit), RMB27.83 million (tax credit) and RMB66.67 million (tax credit), respectively. As the Target Company met the criteria for the recognition of deferred tax assets, it recognized deferred tax assets in respect of cumulative tax losses carried forward, resulting in a corresponding deferred tax credit. The Target Company began to incur income tax expenses from 2023 to 2024. Due to a slowdown in the addition of new tax losses carried forward during the period, the deferred tax credit recognized based on tax losses carried forward decreased accordingly, leading to a decrease of approximately 24.74% in income tax expenses from 2024 to 2025. Conversely, due to a year-on-year expansion in the scale of new tax losses carried forward, more deferred tax assets were recognized after meeting the recognition criteria, which significantly increased the deferred tax credit. Consequently, income tax expenses substantially increased by approximately 139.58% for 1H2026, compared to 1H2025.

Net profit

For the three years ended FY2023, FY2024 and FY2025, and the six months ended 1H2025 and 1H2026, the net profit/(loss) of the Target Company was approximately RMB(50.99) million, RMB(107.62) million, RMB28.98 million, RMB(67.47) million and RMB(162.35) million, respectively. As the Target Company is in the R&D stage for innovative drugs, administrative expenses and R&D investment increased significantly while the revenue scale during the period was limited, resulting in a substantial increase of approximately 111.06% in net loss from 2023 to 2024. From 2024 to 2025, the Target Company turned to profit from a loss-making position, primarily driven by a significant profit contribution from the recognition of substantial license income during the period, coupled with the recognition of deferred tax credit based on tax losses carried forward, which substantially improved the net profit for the period. Conversely, due to the absence of substantial license income recognized during the period, alongside a sharp year-on-year increase in R&D expenses, the loss for the period expanded significantly, leading to a substantial increase of approximately 140.61% in net loss for 1H2026, compared to 1H2025.

(b) Financial position

	As at June 30, 2026 *RMB'000*	As at December 31, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*	As at December 31, 2023 *RMB'000*
Current assets	175,632	390,022	10,134	18,227
– Cash at bank and on hand	*165,376*	*371,175*	*2,942*	*13,907*
Non-current assets	235,871	101,950	73,932	25,642
– Fixed assets	*11,672*	*13,571*	*15,359*	*6,252*
– Right-of-use assets	*7,242*	*8,302*	*10,422*	*14,770*
– Deferred income tax assets	*143,190*	*76,517*	*43,658*	*–*
– Other non-current assets	*70,635*	*–*	*79*	*694*
Current liabilities	140,679	57,328	4,446	46,553
– Accounts payable	*114,563*	*45,981*	*–*	*5*
– Short-term borrowings	*20,000*	*–*	*–*	*–*
Non-current liabilities	5,988	7,461	9,260	12,333
Total equity and equity attributable to shareholders of the parent company	264,836	427,183	70,360	(15,016)

As at June 30, 2026, major assets of the Target Group included cash at bank and on hand of approximately RMB165.4 million and deferred income tax assets of approximately RMB143.2 million, and major liabilities of the Target Group included accounts payable of approximately RMB114.6 million. Net assets of the Target Group amounted to approximately RMB264.8 million as at June 30, 2026.

4. Principal terms of the Share Transfer Agreement

The Share Transfer Agreement was entered into between the Company, the Vendor and the Target Company on August 21, 2026. Set out below are the principal terms of the Agreement, further details of which are set out in the Board Letter.

(i) Subject matter

Pursuant to the Share Transfer Agreement, the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell 54.2384% equity interest in the Target Company at the Consideration of RMB1,088,387,980 in cash.

(ii) Consideration

The Consideration to be paid to the Vendor for the Acquisition will be settled in the following manner:

(a) upon the fulfillment or waiver in writing by the Vendor of the Closing Conditions (as defined below), the Company shall pay the first installment in an aggregate amount of RMB653,032,788 to the Vendor, being 60% of the Consideration; and

(b) the Company shall pay the second installment in an aggregate amount of RMB435,355,192 to the Vendor, being 40% of the Consideration, within eighteen months from the date on which the Target Company completes the registration procedures of industrial and commercial changes with the competent market regulation department for the Acquisition.

As set out in the Board Letter, the Consideration was determined based on arm's length negotiations on normal commercial terms with reference to, among other things, (i) the preliminary valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**Independent Valuer**"), an independent valuer engaged for the Acquisition to determine the fair value of the 54.2384% equity interest in Target Company, being RMB1,110,000,000; and (ii) the recent business developments of the Target Company as set out in the section headed "Letter from the Board – 4. Information on the Parties – The Target Company" in the Circular; and (iii) the reasons for and benefits of the Acquisition as set out in the section headed "Letter from the Board – 5. Reasons for and Benefits of the Acquisition" in the Circular.

Further analysis on the Consideration is set out in the section headed "5. Evaluation of the Consideration" of this letter below.

The Company intends to finance the Consideration from its internal resources, which would also involve a proposed change in use of net proceeds (the "**Proposed Change in UOP**") received from the Global Offering. Further details of the Proposed Change in UOP are set out in the section headed "Letter from the Board – 7. Proposed Change in Use of Proceeds" in the Circular.

(iii) Conditions precedent and closing

The completion of the Acquisition is conditional upon the satisfaction or waiver (where applicable) of the following conditions precedents (the "**Closing Conditions**") including but not limited to:

(i) the representations and warranties of the Vendor and the Target Company being true, accurate and complete as of the date of the Share Transfer Agreement and the Closing Date;

(ii) the Vendor and the Target Company having fulfilled and complied with all commitments and obligations set out in the Share Transfer Agreement that must be fulfilled or complied with on or before the Closing Date;

(iii) the Vendor having completed all internal decision-making procedures required for the execution of the Share Transfer Agreement and completing the transactions contemplated under the Share Transfer Agreement, and having obtained all necessary third-party consents (if required);

(iv) the Target Company having obtained all internal approvals and authorizations required to execute the Share Transfer Agreement, to complete the transactions contemplated under the Share Transfer Agreement, as well as to sign and amend its Articles of Association;

(v) the Company having completed all internal decision-making procedures required for the execution of the Share Transfer Agreement and completing the transactions contemplated under the Share Transfer Agreement, and having obtained all necessary third-party consents (if required), including approval of the Share Transfer Agreement by both the Board and the EGM;

(vi) no applicable laws and governmental orders or actions having been formulated, promulgated, implemented, or passed by any government authorities that may render the transactions contemplated under the Share Transfer Agreement illegal or otherwise restrict or prohibit the transactions contemplated under the Share Transfer Agreement; and

(vii) from the date of the Share Transfer Agreement, there having been no material adverse changes in the Target Company's condition (financial or otherwise), operating results, assets, regulatory status, business, or outlook; nor has there ever been one or more events that individually or collectively lead to a material adverse impact, and it is reasonably expected that events which could individually or jointly lead to a material adverse impact will not occur. "Material adverse impact" or "material adverse change" means the occurrence or non-occurrence of any matter, circumstance, or event, individually or together with the occurrence or non-occurrence of other matters, circumstances, or events, which (a) has, or could reasonably be expected to have, a material adverse effect on the business, operations, development, assets, properties, qualifications, prospects, financial

condition, or results of operations of the Target Company, or (b) has, or could reasonably be expected to have, a material adverse effect on the ability of the Target Company to perform its obligations under the Share Transfer Agreement.

Further detail of the Closing Conditions are set out in the Board Letter. The completion of the Acquisition is scheduled to take place on the Closing Date, being the date on which the Company transfers the first instalment of the Consideration to the designated account of the Vendor upon the satisfaction or waiver (where applicable) of the Closing Conditions, or such other date as further agreed upon by the Vendor and the Company. From the Closing Date onwards, the Company shall enjoy full and complete ownership of the 54.2384% equity interest in the Target Company, free and clear of any encumbrances, and shall exercise all shareholder rights in accordance with the provisions of the Target Company's Articles of Association and other relevant documents. All rights, defenses, or claims held by the Vendor in respect of the 54.2384% equity interest in the Target Company shall be transferred to the Company concurrently on the Closing Date.

Save for Closing Conditions (i), (ii) and (vii) above that can be waived by the Company, all other Closing Conditions are not waivable by the Company, the Vendor and the Target Company. As at the Latest Practicable Date, none of the Closing Conditions has been fulfilled or waived.

In the event where only the Share Transfer Agreement and the transactions contemplated thereunder are approved by the Independent Shareholders at the EGM and the Proposed Change in UOP is not approved by the Independent Shareholders at the EGM, the Company will utilize its internal resources and obtain bank loans to satisfy the Consideration instead.

(iv) Entitlement to Rights and Interests

Any undistributed profits, capital reserve, surplus reserve, and various funds allocated from after-tax profits accumulated by the Target Company prior to the Closing Date (if any) shall, as of the Closing Date, be enjoyed by the Company in respect of the distribution rights and beneficial interests corresponding to the 54.2384% equity interest in the Target Company.

(v) Post-closing Obligations

The Target Company shall, after the Closing Date and within the relevant time limit prescribed by applicable laws, apply to the competent market regulation department for the registration procedures of industrial and commercial changes in connection with the Acquisition, as well as the registration and filing procedures of the Articles of Association of the Target Company.

(vi) Liabilities for Breach

Any failure by any party to the Share Transfer Agreement to perform or properly perform its obligations, covenants, representations, or warranties under the Share Transfer Agreement, or if any representation or warranty made is untrue, inaccurate, or incomplete in any respect, shall constitute a breach of contract. The party in breach shall compensate the parties who are not in breach for any losses caused by such breach.

(vii) Termination

The parties are entitled to terminate the Share Transfer Agreement under any of the following circumstances:

(i) mutual written consent of all the parties under the Share Transfer Agreement; or

(ii) prior to the Closing Date, if any governmental authority issues any order, decree, or ruling, or takes any other action that restricts, prevents, or otherwise prohibits the transactions contemplated under the Share Transfer Agreement, and such order, decree, ruling, or other action is final and non-appealable, then the Company, the Vendor, and the Target Company shall each have the right to terminate the Share Transfer Agreement.

(viii) Dispute Resolution

Any dispute arising from the performance of or in connection with the Share Transfer Agreement shall first be resolved by the parties thereto through amicable negotiation. If no settlement can be reached, any party shall have the right to initiate a lawsuit with the People's Court of its place of domicile.

5. Evaluation of the consideration

5.1. Valuation of the Target Interest

The Consideration is RMB1,088,387,980, which was determined based on arm's length negotiations on normal commercial terms with reference to, among other things, the preliminary valuation performed by the Independent Valuer regarding the fair value of the Target Interest (i.e. 54.2384% equity interest in Target Company). The Valuation Report containing the valuation (the "**Independent Valuation**") of the Target Interest performed by the Independent Valuer is set out in Appendix V to the Circular. We have reviewed the Valuation Report, and have discussed with the Independent Valuer regarding the Independent Valuation with details set out below.

(a) Scope of work and qualifications of the Independent Valuer

The Independent Valuer was engaged to prepare the Valuation Report which set out independent valuations on the market value of the Target Interest, being 7,531,944 series A shares, 760,802 series B shares, and 469,669 series B+ shares, which collectively represent a 54.24% equity interest in the Target Company. The Independent Valuation has been performed to assess the market value of the Target Interest as at the valuation date of June 30, 2026 (the "**Valuation Date**"). The Independent Valuation has been conducted with reference to the International Valuation Standards issued by International Valuation Standards Council. We have discussed the expertise of the Independent Valuer with its relevant staff members. We understand that the Independent Valuer is an independent valuation and advisory firm with

extensive experiences in providing valuation services to listed companies on the Stock Exchange, and the person signing the Valuation Report, being the executive director of the valuation and risk advisory department of the Independent Valuer in Hong Kong and Chinese Mainland, has over 30 years of experience in providing valuation and financial advisory services and he is specialising in, among others, company equity valuation We have reviewed the terms of the Independent Valuer's engagement letter and noted that the purpose of the valuation is to provide an opinion of value of the Target Interest. The Independent Valuer's engagement letter also contains standard valuation scopes that are typical of company valuations carried out by independent valuers. Furthermore, we have confirmed with the Independent Valuer that the Independent Valuer is independent from the Group, the Vendor and the Target Group.

In the course of our review, we have discussed with the Independent Valuer the methodologies, bases and assumptions adopted in the Valuation Report, further details are set out below.

(b) Valuation methodologies

Based on our discussion with the Independent Valuer and review of the Valuation Report, it is noted that Independent Valuation of the Target Interest was arrived at based on the market approach. We understand that the Independent Valuer has considered the three commonly used valuation approaches for valuation of equity interest, namely market approach, cost approach and income approach, and the Independent Valuer has considered the purpose of the valuation engagement, the basis of value as well as the availability and reliability of information provided to perform an analysis. Details of the selection of valuation approach by the Independent Valuer are set out below:

(i) The Independent Valuer considers that the income approach is not considered appropriate for determining the Independent Valuation due to the high sensitivity of results to assumptions and the lack of a sufficient historical financial track record for the Target Group to support objective long-term financial projections as of the Valuation Date.

Based on our review of the information on the Target Group, details of which are set out in the section headed "3. Background and financial information of the Target Group" of this letter above, the Target Group is still in development stage of its core products and hasn't yet enter the commercialization stage for the core products. We agree that there will be a larger extent of uncertainties on the future financial performance of the Target Group, and hence income approach is not appropriate for the Independent Valuation.

(ii) We understand from the Independent Valuer that the cost approach is not considered appropriate as this approach does not capture the economic earnings potential of the Target Group's business.

We note that the Target Group has been developing its core products, which have gone through different stages of clinical trials. Furthermore, the Target Group has entered into the licensing arrangement with Sidera in late 2025. We concur with the Independent Valuer that the cost approach is not appropriate for the Independent Valuation.

(iii) The market approach derives value from observable market evidence and reflects the pricing that market participants are willing to pay for the subject interest or comparable interests. Where a recent arm's-length transaction involving the equity of the subject company is available, such a transaction generally provides the most direct and relevant evidence of value, as it reflects the actual price negotiated between independent and knowledgeable parties having regard to the company's specific development stage, business prospects, risks and the rights attaching to the interest acquired. We understand from the Independent Valuer that the market approach is considered appropriate for determining the Independent Valuation as the Target Company has carried out several rounds of fund raising, and in particular, the series B+ financing round (the "**Series B+ Financing**") is completed approximately ten months prior to the Valuation Date, providing the most direct and company-specific market evidence available for the valuation of the Target Company.

The income approach and the cost approach are considered not appropriate for the Independent Valuation with the reasons set out above. For market approach, we note that the Series B+ Financing was carried out with an independent third party investor in less than one year from the Valuation Date. We concur with the Independent Valuer that the market approach is appropriate for the Independent Valuation.

Based on the above, and taking into account our discussions with the Independent Valuer regarding their selection of valuation approach as set out above, we consider that the use of market approach in valuing the Target Interest to be reasonable.

(c) Valuation assumptions

We have reviewed the Valuation Report and discussed with the Independent Valuer in respect of the key assumptions adopted for performing the valuation under market approach. We understand from the Independent Valuer that the assumptions are commonly adopted in other valuations of similar assets and there is no unusual assumption which has been adopted when valuing the Target Interest. In particular, we noted that one of the assumptions states that the Proposed Transaction does not trigger a deemed liquidation event pursuant to the shareholders' agreement. We note from the Valuation Report that the Independent Valuer has confirmed the about with the Company and they are of the view that the Proposed Transaction is structured as an internal group reorganisation and will not entail any change in the ultimate control of the Target Company. We consider the above assumption to be reasonable and appropriate. We also consider the other assumptions adopted in the Valuation Report are general in nature and are not aware of any material facts which lead us to doubt the assumptions adopted by the Independent Valuer.

(d) Details of valuation

When conducting the Independent Valuation, the Independent Valuer has adopted the guideline transaction method (one of the commonly adopted methodologies under market approach). The Independent Valuer has placed primary reliance on the Series B+ Financing round, being the most recent arm's-length transaction involving the equity of the Target Company itself and having been completed approximately ten months prior to the Valuation Date. The transaction provides direct market evidence of the price that an independent investor was willing to pay for an interest in the Target Company, taking into account its then-current stage of development, commercial prospects, associated risks and the specific economic rights and preferences attaching to the interest in the Series B+ Financing.

We understand from the Independent Valuer that two features of the Series B+ Financing preclude the price paid in that round from being applied directly to the total registered capital of the Target Company in order to arrive at the value of the Subject:

(i) the interest subscribed in the Series B+ Financing ranks ahead of the other classes of equity interest on a liquidation and is therefore not economically identical to the Subject; and

(ii) the round was completed approximately ten months prior to the Valuation Date, over which period market conditions have changed.

Accordingly, the Independent Valuation has been carried out in three steps:

1. an equity allocation model is applied in order to derive, from the price paid by Tencent in the Series B+ Financing, the total equity value of the Target Company as at the date of financing of the Series B+ Financing (the "**Financing Date**");

2. that total equity value is adjusted for the movement in the market between the Financing Date and the Valuation Date; and

3. the same equity allocation model, using the inputs applicable as at the Valuation Date, is applied in order to allocate the adjusted total equity value among the respective classes of equity interest, and so to arrive at the value of the Target Interest.

Pricing of the Series B+ Financing

As discussed above, the Independent Valuer has carried out the guideline transaction method with primary reference to the Series B+ Financing. We noted that such round of financing was carried out in August 2025, which is less than one year from the Valuation Date. We have also enquired the Independent Valuer and understand that it has confirmed with the Target Company that there had been no material changes in the development plans of the core products of the Target Company between the Series B+ Financing and

the Valuation Date. As a biotech company engaging in development of core products and not yet entering into commercialization stage, the development plans are considered one of the most important factors for assessing the valuation of the Target Company. As the Series B+ Financing was carried out with an independent third party investor and there have been no material changes in the development plans of the core products of the Target Company between the Series B+ Financing and the Valuation Date, we concur with the Independent Valuer that the pricing of the Series B+ Financing is appropriate to be used as the basis for the guideline transaction method.

The Option Pricing Model

The equity interests issued in the successive financing rounds of the Target Company do not carry identical economic rights and preferences. Accordingly, the price implied by the Series B+ Financing cannot be applied directly across the entire registered capital of the Target Company to determine the value of the Target Interest. To address the differing rights attached to each class of equity interest, the Independent Valuer has applied an equity allocation model, commonly referred to as the Option Pricing Model ("**OPM**"). As confirmed by the Independent Valuer, OPM is a commonly adopted approach for valuing companies with multiple share classes carrying different preferences on the basis that each share class is treated as a call option on the total equity value of the company. In this connection, we have cross-checked against the public circulars of other companies listed on the Stock Exchange involving similar valuation exercises, and noted that the OPM is one of the commonly adopted methodologies for allocating equity value among different classes of shares.

We have discussed with the Independent Valuer and reviewed the details of the OPM. When adopting the option pricing model, two scenarios were modelled, with a probability assigned to each scenario. The value attributable to each class of equity interest was then determined on a probability-weighted basis, as follows:

(i) Continuation scenario. The Target Company continues as a going concern, and its shareholders realise their investments through a qualified listing or a disposal of the business as a whole. Under this scenario, all classes of equity interests participate in the proceeds on a pro rata basis by reference to their respective paid-in capital.

(ii) Statutory liquidation scenario. The Target Company is wound up, and the available proceeds are distributed among the respective classes of equity interests in accordance with the order of priority described above. Any residual proceeds remaining after satisfaction of the applicable liquidation preferences are distributed among all shareholders on a pro rata basis by reference to their respective paid-in capital.

For our due diligence purpose, we have enquired with the Independent Valuer about the key parameters adopted in the OPM. In conducting our assessment, we have further reviewed the underlying bases, procedures and sources of information adopted by the Independent Valuer in arriving at the key parameters. Furthermore, we have independently performed a re-calculation of the fair value of the Target Interest based on the key parameters and valuation assumptions adopted by the Independent Valuer, and we did not identify any issues on the reasonableness and accuracy of calculations under the OPM. Based on the above, nothing has come to our attention that would cause us to cast doubt on the fairness and reasonableness thereof. The Independent Valuer has also confirmed that the methodologies, bases and assumptions adopted in arriving at the key parameters conform to the common industry practice.

Specifically, we have reviewed and verified the key parameters and inputs adopted by the Independent Valuer, including:

(i) The Independent Valuer adopted a risk-free rate of 1.58% and 1.3083% as at the Financing Date and the Valuation Date respectively. We noted that these inputs were derived from the yield of China government bonds extracted from Bloomberg, matching the remaining maturity of the evaluated instrument as at the respective dates. We independently cross-checked the yield curve data on Bloomberg as at both dates and verified the Independent Valuer's mathematical application within the model, noting no exceptions. We concur that utilizing the sovereign bond yield curve is appropriate, as it serves as an authoritative, objective, highly liquid, and market-observable benchmark.

(ii) The Independent Valuer applied distinct expected volatility inputs as at the Financing Date and the Valuation Date, sourced from S&P Capital IQ (a leading financial intelligence platform owned by S&P Global). We reviewed the underlying sources including the S&P Capital IQ's information and noted the key parameters and inputs adopted have applied to valuation model accordingly. We consider it is appropriate to evaluate the volatility separately across the Financing Date and the Valuation Date to adjust the difference of the implied fair value of the Target Company between the time of the Series B+ equity injection and the Valuation Date.

(iii) The Independent Valuer assigned a probability of 17.09% and 13.81% to the statutory liquidation within the valuation model as at the Financing Date and the Valuation Date respectively, referencing historical default and recovery statistics published by Moody's Investors Service. We reviewed the underlying data and independently verified the relevant parameters against the calculations in the valuation model. We noted that all key parameters and inputs adopted by the Independent Valuer have been properly and consistently applied to the valuation model accordingly.

(iv) The Independent Valuer has applied 4.35% decline in share price between the Financing Date and the Valuation Date. We cross-checked the historical share prices retrieved from public trading records against the input parameters adopted by the Independent Valuer. Furthermore, we verified that the relevant share price movements were properly and consistently applied to the valuation model.

We interviewed the Independent Valuer for the details on the OPM calculation logic and noted the OPM treats each class of equity interest as participating differently across potential exit outcomes and allocates value having regard to the respective liquidation preferences, participation rights and distribution waterfall under the shareholders' agreement. Under the statutory liquidation scenario, the liquidation preferences were modelled in the order of Series B+, Series B, Series A and Angel interests. Each round was first entitled to receive its investment principal together with simple interest at 10% per annum calculated from the respective actual payment dates, following which any residual proceeds were allocated among all shareholders in accordance with their participation rights. The cumulative preferential amounts at which the participating interests changed were treated as the participation thresholds in the OPM, and each class was treated as a series of call options on the total equity value. The incremental option value between successive thresholds was allocated only among the interests entitled to participate within the relevant interval. The resulting values under the statutory liquidation and continuation scenarios were then probability-weighted to determine the value attributable to each interest. We consider the allocation methodology to be fair and reasonable.

Based on our independent review, calculations, and verification procedures performed as detailed above, we consider the key parameters and assumptions adopted by the Independent Valuer to be appropriate for the purpose of the Independent Valuation.

Difference between Financing Date and Valuation Date

The Series B+ Financing was completed approximately ten months prior to the Valuation Date. We understand from the Independent Valuer that it has also considered the changes in market conditions during the intervening period by reference to the change in the share prices of the selected comparable companies between the Financing Date and the Valuation Date. We consider such adjustments to be necessary and appropriate given that there has been a time gap of approximately ten months between the Financing Date and the Valuation Date. Details of our assessment of the selection of comparable companies are discussed below.

Comparable Companies

Based on our review, we noted that the OPM requires an estimate of the expected volatility of the Target Company's total equity value, while the market movement adjustment to adjust the difference between Financing Date and Valuation Date requires

an assessment of changes in the share prices of comparable companies. As the Target Company is privately held and does not have observable market data, the Independent Valuer has derived both inputs by reference to a group of publicly listed comparable companies identified using S&P Capital IQ. As set out in the Valuation Report, the criteria applied in selecting the comparable companies are set out below:

1. the comparable company is classified by S&P Capital IQ under the biotechnology, pharmaceuticals or life sciences tools and services industry;

2. the comparable company is engaged in the research, development or commercialization of therapies acting on the incretin pathway, being therapies acting on the GLP-1, GIP or glucagon receptors, which is the pathway targeted by the core development programmes of the Target Group and to which approximately two-thirds of its cumulative research and development expenditure has been directed;

3. the comparable companies' GLP-1, GIP, or glucagon receptor-related products were also at the research and development stage, similar to those of the Target Company;

4. the shares of the comparable company have been listed and actively traded on a "major exchange; and

5. sufficient price history and financial data of the comparable company are available as at the Valuation Date.

As set out above, the criteria of selection of the comparable companies adopted by the Independent Valuer included companies engaged in the research, development or commercialization of therapies acting on the incretin pathway, with GLP-1, GIP, or glucagon receptor-related products also at the research and development stage. Given that GLP-1, GIP and glucagon receptors are the core pipeline products of the Target Company, we consider the selection criteria of the comparable companies adopted by the Independent Valuer to be fair and reasonable. In addition, we have discussed with the Independent Valuer and reviewed the underlying process of identifying the comparable companies. Based on our review and together with our view that the selection criteria of the comparable companies to be fair and reasonable, we concur that the comparable companies identified by the Independent Valuer represent a complete list of the comparable companies for the purpose of the Independent Valuation.

(e) Control Premium

We noted from the Valuation Report that the Independent Valuer has also applied a control premium in the Independent Valuation. We have discussed with the Independent Valuer regarding the details of the control premium. The Independent Valuer considers that since the Target Interest represents more than 50% of the registered capital of the Target Company, the

Target Interest conveys a controlling interest in the Target Company. In contrast, the Series B+ Financing, which serves as the primary reference point for the Independent Valuation, involved the acquisition of a minority interest. As controlling interests generally command a premium relative to minority interests due to the enhanced rights and influence associated with control, the application of a control premium is considered appropriate by the Independent Valuer.

We understand that in determining an appropriate control premium, the Independent Valuer has referenced the Quarterly Control Premium Studies published by FactSet Mergerstat, LLC, covering the 3-year period ending with the first quarter of 2026. The Independent Valuer has adopted the 3-year average of these quarterly median control premiums, which amounts to 27.53%, as the applicable control premium. The Independent Valuer confirmed during our discussions that relying on study reports published by FactSet Mergerstat, LLC is its standard and established practice for determining control premiums. We have also obtained and reviewed the relevant Quarterly Control Premium Studies from the Independent Valuer, and noted that the three-year historical average of control premium is 27.53%, which is consistent as the figure adopted by the Independent Valuer.

(f) Discount of lack of marketability

We have reviewed the assumptions and noted that no separate discount for lack of marketability was applied in determining the value of the Target Company. In evaluating the Valuer's rationale, we noted that the valuation framework is anchored to the recent Series B+ financing round involving unlisted equity interests, the marketability characteristics of the Target Company were already inherently reflected in the benchmark transaction price. Although historical price data from listed comparable companies were used to estimate expected volatility, we noted that the expected volatility was incorporated solely as an input to the OPM to capture equity value dispersion, using listed peers as volatility proxies rather than direct valuation benchmarks. Accordingly, we concur with the Valuer's assessment that applying an additional and explicit discount for lack of marketability is unnecessary and that the overall valuation approach remains fair and reasonable.

(g) Conclusion

Considering all the variables to the valuation, the Independent Valuer is of the opinion that the market value of the Target Interest as at the Valuation Date is RMB1,110,000,000.

Having discussed with the Independent Valuer and reviewed with them the reasons for adopting the various valuation methodologies, the bases and assumptions used for valuing the Target Interest and the valuation result, we are of the opinion that the chosen valuation methodologies, bases and assumptions in establishing the appraised value as at the valuation benchmark date are in line with the industry practice. In assessing the fairness of the Consideration, we consider it is appropriate to refer to the independent valuation conducted by the Independent Valuer in respect of the appraised value of the Target Interest.

5.2. Evaluation of the Consideration

The Consideration of RMB1,088,387,980 represents a discount of approximately 1.94% to the valuation of the Target Interest. Also, we note from the Board Letter that from the Valuation Date up to the Latest Practicable Date, the drug candidates of the Target Company's pipeline did not experience any material adverse set back in their clinical development. On this basis, we are of the view that the Consideration is fair and reasonable as far as the Independent Shareholders are concerned.

As set out in the section headed "4. Principal terms of the Share Transfer Agreement" of this letter above, 60% of the Consideration will be settled upon the fulfillment or waiver of the Closing Conditions and the remaining 40% of the Consideration will be settled within 18 months following the completion of the Target Company's registration procedures. We consider such payment term, in particular the deferral of the final 40% installment over an 18-month period allows the Company to retain financial flexibility while immediately gaining control of and benefiting from the Target Group's operational synergies. Accordingly, we consider such payment arrangement to be fair and reasonable as far as the Independent Shareholders are concerned.

6. Financial effects of the Acquisition

Upon completion of the Acquisition, the Company will own 54.2384% equity interest in the Target Company, and the Target Company will become a non-wholly owned subsidiary of the Company, and the results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to the circular, if the Acquisition had been completed on June 30, 2026, the total assets and total liabilities of the Enlarged Group would have increased to approximately RMB3,002.7 million and approximately RMB1,505.61 million, respectively. Further details of the unaudited pro forma financial information of the Enlarged Group immediately following the completion of the Acquisition are set out in Appendix IV to the circular.

As set out in Appendix II to the Circular, for FY2025, the audited consolidated revenue and profit after tax of the Target Group were approximately RMB226.90 million and RMB28.98 million, respectively. As the financial results of the Target Group would be combined with those of the Group after the completion of the Acquisition, the earnings of the Group would be affected by the performance of the Target Group from the completion of the Acquisition onwards. The Acquisition is expected to contribute towards broadening the revenue and earnings base for the Enlarged Group in the future.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that (i) the terms of the Acquisition are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition is not in the ordinary and usual course of business of the Group as the Group is not engaged in the business model or principal activity of acquiring business, assets and/or companies, the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution(s) in relation to the Share Transfer Agreement and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Clifford Cheng
Director

Mr. Clifford Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over fifteen years of experience in the corporate finance industry.

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial information of the Group for the three years ended December 31, 2023, 2024 and 2025, respectively, had been set out in the annual reports of the Company for the three years ended December 31, 2023 (from pages 201 to 344), December 31, 2024 (from pages 203 to 380) and December 31, 2025 (from pages 233 to 408).

All of the abovementioned annual reports of the Company had been published on the respective websites of Company (www.scientechmed.com) and the Stock Exchange (www.hkexnews.hk) through the links below:

- annual report of the Company for the year ended December 31, 2023:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041901866.pdf

- annual report of the Company for the year ended December 31, 2024:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0417/2025041701719.pdf

- annual report of the Company for the year ended December 31, 2025:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0423/2026042300115.pdf

- interim report of the Company for the six months ended June 30, 2026:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0922/2026092201295.pdf

2. STATEMENT OF INDEBTEDNESS

At the close of business on September 30, 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Enlarged Group was as follows:

Borrowings

As of September 30, 2026, the total outstanding borrowings of the Enlarged Group amounted to approximately RMB20.00 million, which were unsecured and unguaranteed credit borrowings, bearing interest at a floating rate determined as the 1-year loan prime rate prevailing on the business day preceding the pricing date minus 15.00 basis points. The initial annual interest rate is 2.85%, the interest rate is reset every three months and the principal is repayable on March 24, 2027.

Lease liabilities

As of September 30, 2026, the outstanding lease liabilities of the Enlarged Group amounted to approximately RMB11.704 million, relating to property leases with lease terms ranging from 2 to 6 years. No restrictive covenants were imposed by the lease agreements. The lease liabilities were neither secured nor guaranteed.

Save as disclosed above, the Enlarged Group did not have any issued, and outstanding debt instruments, bank overdrafts, various bank borrowings and other interest-bearing liabilities, bill acceptance obligations, acceptance credits, corporate bonds, term loans, mortgages on real estate, pledges on movable property, hire-purchase commitments, finance lease payment obligations, charges, external guarantees, or any other contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there had been no material adverse changes in the financial or trading prospects of the Group since December 31, 2025 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry and after taking into account the financial resources available to the Enlarged Group as at the Latest Practicable Date, including the internally generated funds, other financing facilities available and the effects of the acquisition of 54.2384% equity interest in the Target Company, are of the opinion that the Enlarged Group will have sufficient working capital to satisfy the Enlarged Group's requirements for at least the twelve months from the date of this circular. On a prudent basis, the cash flow forecast does not take into account other financing arrangements. Should other financing be obtained in the future, the Group's cash flow position would further improve. The Company has obtained the letter from BDO CHINA Shu Lun Pan Certified Public Accountants LLP confirming that the above working capital statement has been made by the Directors after due and careful enquiry, and the persons or institutions providing finance have confirmed in writing that such facilities exist.

5. FINANCIAL AND TRADING PROSPECT OF THE ENLARGED GROUP

The Group is a pioneer in China's structural heart disease interventional medical device industry. Centered around its globally leading biodegradable occluder technology, the Group has built a comprehensive solution platform that spans six major product pipelines, including congenital heart disease (CHD) occlusion, cardiogenic stroke prevention, and heart valves. The Group is dedicated to providing structural heart disease patients with full-process solutions ranging from diagnostic screening to interventional treatment.

The Acquisition is a strategic move for the Group to establish a "Innovative Device + Innovative Drugs" dual-wheel drive model. It will effectively expand the Group's capability boundaries and product portfolio, offering patients more diverse and comprehensive solutions.

Through the Acquisition, the Group will acquire multiple differentiated innovative drug pipelines and industry-leading technology platforms from the Target Company, thereby entering the high-growth GLP-1 drug and small nucleic acid tracks. Currently, the global GLP-1 drug market is massive and maintains rapid growth, while domestic clinical demand is also climbing swiftly. Small nucleic acid drugs, leveraging their ultra-long-acting drug delivery advantages, also demonstrate broad application prospects. Through this acquisition, the Group will directly benefit from the market dividends of these tracks and share in the vast, rapidly growing market space of the GLP-1 drug and small nucleic acid fields.

In 2026, the Company will further expand its commercialized product portfolio, with the MemoCarna® Oxide Coating PFO Occluder expected to receive marketing approval, and two products – the Bio-Lefort® Biodegradable LAA Occluder and the Vascular Closure System – planned for NMPA registration submission. The Company will also accelerate the registration and commercialization of its innovative products in overseas markets, further enhancing its commercialization capabilities. In terms of its R&D pipeline, the Company will advance multiple innovative products into the clinical stage, with the Aortic Embolization Occluder expected to complete clinical enrolment and the Biodegradable Vascular Plug entering clinical trials, thereby further enriching its pipeline portfolio. The Target Company will continue to advance the clinical development of its late-stage pipelines, including MWN101, MWN109 and MWX203, with a view to obtaining marketing approval at the earliest opportunity. In parallel, the Target Company will drive the clinical development of early-stage innovative R&D programmes in the siRNA field, with the goal of building Best-in-Class and First-in-Class pipelines within the industry. The Target Company will also actively explore further business development opportunities to realise the commercial value of its R&D pipeline through strategic partnerships.

Upon completion of the Acquisition, the Target Company will become a non-wholly owned subsidiary of the Company. Its financial results, assets, and liabilities will be consolidated into the Group's financial statements. The Acquisition is expected to broaden the revenue streams and earnings base of the Enlarged Group. Following completion, the Enlarged Group will integrate the R&D resources and commercialization capabilities of both the Group and the Target Company. Leveraging over twenty years of deep industry experience, mature domestic and overseas sales and marketing networks, and extensive clinical expert resources, the Group will accelerate the Target Company's R&D process and drive the future commercialization of its products, thereby achieving cost reduction and efficiency enhancement, and improving overall competitiveness. The Directors are of the view that the Acquisition will provide a solid foundation for the sustainable growth of the Enlarged Group, further improve financial performance, and create long-term value for shareholders. Barring any unforeseen circumstances, the Directors remain optimistic about the prospects of the Enlarged Group.

Save as disclosed above, the Directors are not aware of any other material information relevant to the financial and trading prospects of the Enlarged Group, including any special trade factors or risks not otherwise disclosed in this circular and not known to or anticipated by the general public, which would materially affect the profits of the Enlarged Group.

The following is the text of a report set out on pages II-1 to II-129, received from the Company's reporting accountants, BDO China Shu Lun Pan Certified Public Accountants LLP, for the purpose of incorporation in this circular.

Auditor's Report

Xin Kuai Shi Bao Zi [2026] No. ZG50833

To the Board of Directors of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.:

I. AUDIT OPINION

We have audited the accompanying financial statements of Shanghai Minwei Biotechnology Co., Ltd. ("Shanghai Minwei"), which comprise the consolidated and parent company's balance sheets as at December 31, 2023, December 31, 2024, December 31, 2025, and June 30, 2026, the consolidated and parent company's income statements, the consolidated and parent company's statements of cash flows, and the consolidated and parent company's statements of changes in owners' equity for each of the years and the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the requirements of Accounting Standards for Business Enterprises, and fairly present the consolidated and parent company's financial position as at December 31, 2023, December 31, 2024, December 31, 2025 and June 30, 2026, and the consolidated and parent company's financial performance and cash flows for each of the years and the six month period then ended.

II. BASIS FOR OPINION

We have conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the section "Auditor's Responsibilities for the Audit of the Financial Statements" in our report. We are independent of Shanghai Minwei in accordance with *China's CPA Independence Standard No. 1 – Requirements for Independence of Financial Statement Audit and Review Business* and the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. OTHER MATTERS

This report is prepared solely for the purpose of the circular dated November 12, 2026 issued by LEPU ScienTech Medical Technology (Shanghai) Co., Ltd. in connection with the proposed acquisition of Shanghai Minwei, and is not applicable for any other purpose.

IV. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of Shanghai Minwei (the "Management") is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as the Management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Shanghai Minwei's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and applying the going concern basis of accounting, unless the Management either intends to liquidate Shanghai Minwei or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Shanghai Minwei's financial reporting process.

V. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls.

(3) Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's application of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shanghai Minwei's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shanghai Minwei to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Shanghai Minwei to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO China Shu Lun Pan Certified Public Accountants LLP **Certified Public Accountant of China: Wang Na**

Certified Public Accountant of China: Wang Ping

Shanghai, China **November 12, 2026**

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Balance Sheet
(All amounts in RMB Yuan unless otherwise stated)

Assets	Note	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current assets:					
Cash at bank and on hand	*V. (1)*	165,375,886.48	371,174,990.60	2,942,499.29	13,906,881.61
Settlement reserve					
Lending funds					
Financial assets held-for-trading					
Derivative financial assets					
Notes receivable					
Accounts receivable	*V. (2)*		13,987,312.00	52,735.00	
Receivable financing					
Prepayments	*V. (3)*	720,785.04	488,904.00	4,397,138.80	2,171,454.86
Other receivables	*V. (4)*	584,138.10	662,958.20	624,313.20	825,303.43
Financial assets purchased under agreements to resell					
Inventories	*V. (5)*	3,711,319.81	134,253.82		
Including: Data resources					
Contract assets					
Assets held for sale					
Non-current assets due within one year					
Other current assets	*V. (6)*	5,239,677.04	3,573,672.88	2,117,350.54	1,323,687.04
Total current assets		175,631,806.47	390,022,091.50	10,134,036.83	18,227,326.94
Non-current assets:					
Loans and advances granted					
Debt investments					
Other debt investments					
Long-term receivables					
Long-term equity investments					
Investments in other equity instruments					
Other non-current financial assets					
Investment properties					
Fixed assets	*V. (7)*	11,671,545.38	13,571,219.69	15,358,797.66	6,251,835.09
Construction in progress					
Productive biological assets					

Assets	Note	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Oil and gas assets					
Right-of-use assets	*V. (8)*	7,242,424.04	8,302,290.92	10,422,024.68	14,769,841.64
Intangible assets					
Including: Data resources					
Research and development expenditures					
Including: Data resources					
Goodwill					
Long-term deferred expenses	*V. (9)*	3,132,477.08	3,559,633.04	4,413,944.96	3,927,069.42
Deferred income tax assets	*V. (10)*	143,189,514.16	76,516,829.56	43,657,936.78	
Other non-current assets	*V. (11)*	70,635,367.20		79,440.00	693,580.00
Total non-current assets		235,871,327.86	101,949,973.21	73,932,144.08	25,642,326.15
Total assets		411,503,134.33	491,972,064.71	84,066,180.91	43,869,653.09

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Balance Sheet (Continued)
(All amounts in RMB Yuan unless otherwise stated)

Liabilities and owners' equity	Note	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current liabilities:					
Short-term borrowings	*V. (12)*	20,000,000.00			
Loans from central bank					
Placements from banks and other financial institutions					
Financial liabilities held-for-trading					
Derivative financial liabilities					
Notes payable					
Accounts payable	*V. (13)*	114,563,210.86	45,981,384.04		4,700.00
Advances from customers					
Contract liabilities					
Securities sold under agreements to repurchase					
Deposits from customers and interbanks					
Receiving from vicariously traded securities					
Receiving from vicariously sold securities					
Employee benefits payable	*V. (14)*	2,111,265.50	6,614,616.53	2,249,151.94	1,202,044.23
Taxes payable	*V. (15)*	182,653.97	1,293,429.10	275,527.81	98,362.75
Other payables	*V. (16)*	1,558,873.11	1,340,059.32	156,000.00	43,000,000.00
Fee and commission payable					
Liabilities held for sale					
Non-current liabilities due within one year	*V. (17)*	2,262,501.75	2,098,599.00	1,765,490.58	2,247,729.02
Other current liabilities					
Total current liabilities		140,678,505.19	57,328,087.99	4,446,170.33	46,552,836.00
Non-current liabilities:					
Long-term borrowings					
Bonds payable					
Including: Preference shares					
Perpetual bonds					
Lease liabilities	*V. (18)*	5,988,258.01	7,461,438.15	9,259,666.08	12,332,549.50
Long-term payable					
Long-term employee benefits payable					
Estimated liabilities					

Liabilities and owners' equity	Note	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Deferred income					
Deferred income tax liabilities					
Other non-current liabilities					
Total non-current liabilities		5,988,258.01	7,461,438.15	9,259,666.08	12,332,549.50
Total liabilities		146,666,763.20	64,789,526.14	13,705,836.41	58,885,385.50
Owners' equity:					
Paid-in capital	*V. (19)*	15,855,386.00	15,855,386.00	13,394,444.00	8,200,000.00
Other equity instruments					
Including: Preference shares					
Perpetual bonds					
Capital reserve	*V. (20)*	579,686,836.00	579,686,836.00	254,305,556.00	66,500,000.00
Less: Treasury shares					
Other comprehensive income					
Special reserve					
Surplus reserve					
Provision for general risks					
Retained earnings	*V. (21)*	-330,705,850.87	-168,359,683.43	-197,339,655.50	-89,715,732.41
Total equity attributable to shareholders of the parent company		264,836,371.13	427,182,538.57	70,360,344.50	-15,015,732.41
Non-controlling interests					
Total equity		264,836,371.13	427,182,538.57	70,360,344.50	-15,015,732.41
Total liabilities and equity		411,503,134.33	491,972,064.71	84,066,180.91	43,869,653.09

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Balance Sheet of the Parent Company
(All amounts in RMB Yuan unless otherwise stated)

Assets	Note	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current assets:					
Cash at bank and on hand		165,360,089.13	270,060,852.91	2,792,305.96	13,355,860.28
Financial assets held-for-trading					
Derivative financial assets					
Notes receivable					
Accounts receivable	*XIII. (1)*		13,987,312.00	52,735.00	
Receivable financing					
Prepayments		720,785.04	472,891.00	4,375,248.80	2,142,405.86
Other receivables	*XIII. (2)*	584,138.10	101,788,078.20	1,651,533.20	1,855,423.43
Inventories		3,711,319.81	134,253.82		
Including: Data resources					
Contract assets					
Assets held for sale					
Non-current assets due within one year					
Other current assets		5,232,840.87	3,567,511.54	2,112,936.96	1,321,621.76
Total current assets		175,609,172.95	390,010,899.47	10,984,759.92	18,675,311.33
Non-current assets:					
Debt investments					
Other debt investments					
Long-term receivables					
Long-term equity investments	*XIII. (3)*	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Investments in other equity instruments					
Other non-current financial assets					
Investment properties					
Fixed assets		11,671,545.38	13,571,219.69	15,358,797.66	6,251,835.09
Construction in progress					
Productive biological assets					
Oil and gas assets					
Right-of-use assets		7,242,424.04	8,302,290.92	10,422,024.68	14,769,841.64
Intangible assets					
Including: Data resources					

Assets	*Note*	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Research and development expenditures					
Including: Data resources					
Goodwill					
Long-term deferred expenses		3,132,477.08	3,559,633.04	4,413,944.96	3,927,069.42
Deferred income tax assets		143,189,514.16	76,516,829.56	43,657,936.78	
Other non-current assets		70,635,367.20		79,440.00	693,580.00
Total non-current assets		237,871,327.86	103,949,973.21	75,932,144.08	27,642,326.15
Total assets		413,480,500.81	493,960,872.68	86,916,904.00	46,317,637.48

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Balance Sheet of the Parent Company (Continued)
(All amounts in RMB Yuan unless otherwise stated)

Liabilities and owners' equity	*Note*	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current liabilities:					
Short-term borrowings		20,000,000.00			
Financial liabilities held-for-trading					
Derivative financial liabilities					
Notes payable					
Accounts payable		114,563,210.86	45,981,384.04		4,700.00
Advances from customers					
Contract liabilities					
Employee benefits payable		2,111,265.50	6,238,890.20	2,210,378.23	1,183,698.41
Taxes payable		182,653.97	1,222,300.75	274,423.53	98,247.17
Other payables		1,558,873.11	1,340,059.32	156,000.00	43,000,000.00
Liabilities held for sale					
Non-current liabilities due within one year		2,262,501.75	2,098,599.00	1,765,490.58	2,247,729.02
Other current liabilities					
Total current liabilities		140,678,505.19	56,881,233.31	4,406,292.34	46,534,374.60
Non-current liabilities:					
Long-term borrowings					
Bonds payable					
Including: Preference shares					
Perpetual bonds					
Lease liabilities		5,988,258.01	7,461,438.15	9,259,666.08	12,332,549.50
Long-term payable					
Long-term employee benefits payable					
Estimated liabilities					
Deferred income					
Deferred income tax liabilities					
Other non-current liabilities					
Total non-current liabilities		5,988,258.01	7,461,438.15	9,259,666.08	12,332,549.50
Total liabilities		146,666,763.20	64,342,671.46	13,665,958.42	58,866,924.10

Liabilities and owners' equity	*Note*	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Owners' equity:					
Paid-in capital		15,855,386.00	15,855,386.00	13,394,444.00	8,200,000.00
Other equity instruments					
Including: Preference shares					
Perpetual bonds					
Capital reserve		579,686,836.00	579,686,836.00	254,305,556.00	66,500,000.00
Less: Treasury shares					
Other comprehensive income					
Special reserve					
Surplus reserve					
Retained earnings		-328,728,484.39	-165,924,020.78	-194,449,054.42	-87,249,286.62
Total equity		266,813,737.61	429,618,201.22	73,250,945.58	-12,549,286.62
Total liabilities and equity		413,480,500.81	493,960,872.68	86,916,904.00	46,317,637.48

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Income Statement
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
I. Total operating income				226,896,196.22	50,000.00	525,943.40
Including: Operating income	*V. (22)*			226,896,196.22	50,000.00	525,943.40
Interest income						
Insurance service fees						
Income for handling charges and commissions						
II. Total operating cost		229,677,722.77	95,650,563.15	232,133,852.11	151,665,254.65	54,392,490.25
Including: Operating cost	*V. (22)*			56,920.00	36,805.41	195,575.00
Interest expense						
Handling charges and commissions						
Insurance service expenses						
Taxes and surcharges	*V. (23)*	28,500.00	37,500.00	87,480.28	38,201.84	19,826.58
Selling expenses						
Administrative expenses	*V. (24)*	9,561,156.25	4,140,127.20	13,954,832.81	9,109,552.15	2,218,674.10
Research and development expenses	*V. (25)*	216,312,987.01	91,563,747.42	217,671,495.03	142,001,514.39	51,866,124.69
Financial expenses	*V. (26)*	3,775,079.51	-90,811.47	363,123.99	479,180.86	92,289.88
Including: Interest expenses		436,988.45	111,599.98	319,523.31	487,983.80	122,118.10
Interest income		3,137,754.61	208,880.60	1,804,256.44	17,413.95	34,556.54
Add: Other income	*V. (27)*	328,183.86	16,239.83	1,016,239.83	238,947.33	23,106.10
Investment income (loss expressed with "-")	*V. (28)*	280,245.81				271,804.89
Including: Income from investment in associates and joint ventures						
Gains from derecognition of financial assets measured at amortised cost						
Exchange gain (loss expressed with "-")						
Net exposure hedging benefits (loss expressed with "-")						
Gains from change in fair value (loss expressed with "-")						
Loss on impairment of credit (loss expressed with "-")	*V. (29)*	50,729.30	-1,356.15	-140,304.65	-63,423.15	152,068.31
Loss on impairment of assets (loss expressed with "-")						

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
Gains from disposal of asset (loss expressed with "")	*V. (30)*				-250,184.49	
III. Operating profit (loss expressed with "-")		-229,018,563.80	-95,635,679.47	-4,361,720.71	-151,689,914.96	-53,419,567.55
Add: Non-operating income	*V. (31)*		332,800.00	482,800.00	563,934.59	2,432,125.00
Less: Non-operating expenses	*V. (32)*	288.24			155,879.50	
IV. Total profit before tax (total loss expressed with "-")		-229,018,852.04	-95,302,879.47	-3,878,920.71	-151,281,859.87	-50,987,442.55
Less: Income tax expense	*V. (33)*	-66,672,684.60	-27,829,344.91	-32,858,892.78	-43,657,936.78	
V. Net profit (net loss expressed with "-")		-162,346,167.44	-67,473,534.56	28,979,972.07	-107,623,923.09	-50,987,442.55
(I) Classified by continuity of operations						
1. Net profit from continuing operations (net loss expressed with "-")		-162,346,167.44	-67,473,534.56	28,979,972.07	-107,623,923.09	-50,987,442.55
2. Net profit from discontinued operations (net loss expressed with "-")						
(II) Classified by ownership						
1. Net profit attributable to shareholders of the parent company (net loss expressed with "-")		-162,346,167.44	-67,473,534.56	28,979,972.07	-107,623,923.09	-50,987,442.55
2. Profit or loss attributable to non-controlling interests (net loss expressed with "-")						

Item	*Note*	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
VI. Net other comprehensive income after tax						
Net other comprehensive income after tax attributable to shareholders of the Company						
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss						
1. Change in remeasurement of defined benefit plans						
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss						
3. Change in fair value of investments in other equity instruments						
4. Changes in fair value of credit risks of the Company						
5. Insurance contract financial changes that will not be reclassified to profit or loss						
6. Others						
(II) Other comprehensive income that will be subsequently reclassified to profit or loss						
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss						
2. Change in fair value of other debt investments						
3. Amount of financial assets reclassified into other comprehensive income						
4. Provision for credit impairment of other debt investments						
5. Cash flow hedging reserve						
6. Exchange differences arising from translation of foreign currency financial statements						
7. Insurance contract financial changes that will be reclassified to profit or loss						

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
8. Reinsurance contract financial changes that will be reclassified to profit or loss						
9. Others						
Net other comprehensive income attributable to non-controlling interests after tax						
VII. Total comprehensive income		-162,346,167.44	-67,473,534.56	28,979,972.07	-107,623,923.09	-50,987,442.55
Total comprehensive income attributable to shareholders of the Company		-162,346,167.44	-67,473,534.56	28,979,972.07	-107,623,923.09	-50,987,442.55
Total comprehensive income attributable to non-controlling interests						
VIII. Earnings per share:						
(I) Basic earnings per share (RMB/share)						
(II) Diluted earnings per share (RMB/share)						

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Income Statement of the Parent Company
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
I. Operating income	*XIII. (4)*			226,896,196.22	50,000.00	525,943.40
Less: Operating cost	*XIII. (4)*			56,920.00	36,805.41	195,575.00
Taxes and surcharges		28,500.00	37,500.00	87,480.28	38,201.84	19,826.58
Selling expenses						
Administrative expenses		9,461,958.32	3,995,519.35	13,202,628.11	8,845,180.08	2,077,836.78
Research and development expenses		216,312,987.01	91,563,747.42	217,671,495.03	141,843,550.35	51,391,239.23
Financial expenses		4,152,453.70	92,669.10	1,571,882.30	478,413.33	91,561.12
Including: Interest expenses		436,988.45	111,599.98	319,523.31	487,983.80	122,118.10
Interest income		2,758,364.86	24,193.33	593,077.43	16,784.21	33,834.85
Add: Other income		328,183.86	15,955.01	1,015,955.01	238,947.33	23,035.03
Investment income (loss expressed with "-")	*XIII. (5)*	280,245.81				271,804.89
Including: Income from investment in associates and joint ventures						
Gains from derecognition of financial assets at amortized cost						
Net exposure hedging benefits (loss expressed with "-")						
Gains from change in fair value (loss expressed with "-")						
Loss on impairment of credit (loss expressed with "-")		-129,390.70	-1,156.15	-138,404.65	-62,323.15	12,358.31
Loss on impairment of assets (loss expressed with "-")						

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
Gains from disposal of assets (loss expressed with "-")					-250,184.49	
II. Operating profit (loss expressed with "-")		-229,476,860.06	-95,674,637.01	-4,816,659.14	-151,265,711.32	-52,942,897.08
Add: Non-operating income			332,800.00	482,800.00	563,886.24	2,431,925.00
Less: Non-operating expenses		288.15			155,879.50	
III. Total profit before tax (total loss expressed with "-")		-229,477,148.21	-95,341,837.01	-4,333,859.14	-150,857,704.58	-50,510,972.08
Less: Income tax expense		-66,672,684.60	-27,829,344.91	-32,858,892.78	-43,657,936.78	
IV. Net profit (net loss expressed with "-")		-162,804,463.61	-67,512,492.10	28,525,033.64	-107,199,767.80	-50,510,972.08
(I) Net profit from continuing operations (net loss expressed with "-")		-162,804,463.61	-67,512,492.10	28,525,033.64	-107,199,767.80	-50,510,972.08
(II) Net profit from discontinued operations (net loss expressed with "-")						
V. Net other comprehensive income after tax						
(I) Other comprehensive income that may not be subsequently reclassified to profit or loss						
1. Change in remeasurement of defined benefit plans						
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss						
3. Change in fair value of investments in other equity instruments						
4. Change in fair value of credit risk of the Company						
5. Others						
(II) Other comprehensive income that will be subsequently reclassified to profit or loss						

Item	*Note*	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss						
2. Change in fair value of other debt investments						
3. Amount of financial assets reclassified into other comprehensive income						
4. Provision for credit impairment of other debt investments						
5. Cash flow hedging reserve						
6. Exchange differences arising from translation of foreign currency financial statements						
7. Others						
VI. Total comprehensive income		-162,804,463.61	-67,512,492.10	28,525,033.64	-107,199,767.80	-50,510,972.08
VII. Earnings per share:						
(I) Basic earnings per share (RMB/share)						
(II) Diluted earnings per share (RMB/share)						

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Statement of Cash Flows
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
I. Cash flows from operating activities						
Cash received from sale of goods or rendering of services		13,845,600.00	53,000.00	212,806,000.00		557,500.00
Net increase in deposit from customer and due from bank and other financial institutions						
Net increase in borrowings from central bank						
Cash received from premium of insurance contracts issued						
Net cash received from reinsurance contracts issued						
Cash received from interests, handling charges and commissions						
Net increase in loans from other banks and other financial institutions						
Net increase in repurchase business						
Net cash received from agency purchases and sales of securities						
Cash received from tax refund		10,473,264.38		10,418,056.31	5,564,471.07	4,029,013.26
Cash received relating to other operating activities		2,015,562.04	557,920.43	3,085,163.11	845,971.26	8,884,329.54
Sub-total of cash inflows from operating activities		26,334,426.42	610,920.43	226,309,219.42	6,410,442.33	13,470,842.80
Cash paid for goods and services					11,000.00	
Net increase in loans and advances to customers						
Net increase in central bank and interbank deposits						
Cash paid for claims under insurance contracts issued						
Net cash paid under reinsurance contracts held						
Net increase in policy loans						

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
Net increase in lending funds						
Cash paid for interests, handling charges and commissions						
Cash paid to and on behalf of employees		18,853,592.89	10,245,757.51	20,343,891.04	13,618,778.85	7,308,588.64
Payments of taxes and surcharges		91,980.28	22,500.00	31,500.00	34,864.34	19,826.58
Cash paid relating to other operating activities		157,462,277.05	52,651,590.08	160,680,947.27	140,774,820.53	56,363,639.60
Sub-total of cash outflows from operating activities		176,407,850.22	62,919,847.59	181,056,338.31	154,439,463.72	63,692,054.82
Net cash flows from operating activities		-150,073,423.80	-62,308,927.16	45,252,881.11	-148,029,021.39	-50,221,212.02
II. Cash flows from investing activities						
Cash received from disposal of investments		190,000,000.00				35,268,349.46
Cash received from investment income		280,245.81				271,804.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets						
Net cash received from the disposal of subsidiaries and other business entities						
Cash received relating to other investing activities						
Sub-total of cash inflows from investing activities		190,280,245.81				35,540,154.35
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		448,384.00	1,689,949.04	2,095,167.28	10,578,039.20	7,448,511.00
Cash paid for investments		260,000,000.00				9,500,000.00
Net cash paid for acquisition of subsidiaries and other business entities						
Cash paid relating to other investing activities				1,000.00	14,200.00	
Sub-total of cash outflows from investing activities		260,448,384.00	1,689,949.04	2,096,167.28	10,592,239.20	16,948,511.00
Net cash flows from investing activities		-70,168,138.19	-1,689,949.04	-2,096,167.28	-10,592,239.20	18,591,643.35

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
III. Cash flows from financing activities						
Cash received from capital contributions			216,722,222.00	327,842,222.00	193,000,000.00	2,700,000.00
Including: Cash received by subsidiaries from receiving investments made by minority interest						
Cash received from borrowings		20,000,000.00				
Cash received relating to other financing activities					10,000,000.00	43,000,000.00
Sub-total of cash inflows from financing activities		20,000,000.00	216,722,222.00	327,842,222.00	203,000,000.00	45,700,000.00
Cash repayment of borrowings						
Cash payments for distribution of dividends, profits or interest expenses		159,916.67				
Including: Dividends and profits paid by subsidiaries to non-controlling interests						
Cash payments for other financing activities		1,080,700.37	648,420.22	1,296,840.44	55,344,637.88	552,663.74
Sub-total of cash outflows from financing activities		1,240,617.04	648,420.22	1,296,840.44	55,344,637.88	552,663.74
Net cash flows from financing activities		18,759,382.96	216,073,801.78	326,545,381.56	147,655,362.12	45,147,336.26
IV. Effect of change in foreign exchange rate on cash and cash equivalents		-5,135,836.07		-1,740,438.84		
V. Net increase in cash and cash equivalents		-206,618,015.10	152,074,925.58	367,961,656.55	-10,965,898.47	13,517,767.59
Add: Beginning balance of cash and cash equivalents		370,902,139.52	2,940,482.97	2,940,482.97	13,906,381.44	388,613.85
VI. Ending balance of cash and cash equivalents		164,284,124.42	155,015,408.55	370,902,139.52	2,940,482.97	13,906,381.44

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Cash Flow Statement of the Parent Company
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
I. Cash flows from operating activities						
Cash received from sale of goods or rendering of services		13,845,600.00	53,000.00	212,806,000.00		557,500.00
Cash received from tax refund		10,473,264.38		10,418,056.31	5,564,471.07	4,029,013.26
Cash received relating to other operating activities		1,365,338.96	372,948.34	2,144,532.61	845,293.17	8,173,213.78
Sub-total of cash inflows from operating activities		25,684,203.34	425,948.34	225,368,588.92	6,409,764.24	12,759,727.04
Cash paid for goods and services						
Cash paid to and on behalf of employees		18,325,706.15	10,079,628.49	20,033,431.77	13,266,284.80	6,982,375.86
Payments of taxes and surcharges		91,980.28	22,500.00	31,500.00	24,864.34	19,826.58
Cash paid relating to other operating activities		157,452,433.51	52,622,381.50	160,644,885.99	140,750,018.87	56,002,653.27
Sub-total of cash outflows from operating activities		175,870,119.94	62,724,509.99	180,709,817.76	154,041,168.01	63,004,855.71
Net cash flows from operating activities		-150,185,916.60	-62,298,561.65	44,658,771.16	-147,631,403.77	-50,245,128.67
II. Cash flows from investing activities						
Cash received from disposal of investments		190,000,000.00				35,268,349.46
Cash received from investment income		280,245.81				271,804.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets						
Net cash received from the disposal of subsidiaries and other business entities						
Cash received relating to other investing activities		100,940,000.00	100,000,000.00	255,000,000.00		
Sub-total of cash inflows from investing activities		291,220,245.81	100,000,000.00	255,000,000.00		35,540,154.35
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		448,384.00	1,689,949.04	2,095,167.28	10,576,313.54	7,448,511.00

Item	Note	Six months ended June 30, 2026	Six months ended June 30, 2025 (unaudited)	The year ended December 31, 2025	The year ended December 31, 2024	The year ended December 31, 2023
Cash paid for investments		260,000,000.00				9,500,000.00
Net cash paid for acquisition of subsidiaries and other business entities						
Cash paid relating to other investing activities			100,100,000.00	355,100,000.00	11,200.00	
Sub-total of cash outflows from investing activities		260,448,384.00	101,789,949.04	357,195,167.28	10,587,513.54	16,948,511.00
Net cash flows from investing activities		30,771,861.81	-1,789,949.04	-102,195,167.28	-10,587,513.54	18,591,643.35
III. Cash flows from financing activities						
Cash received from capital contributions			216,722,222.00	327,842,222.00	193,000,000.00	2,700,000.00
Cash received from borrowings		20,000,000.00				
Cash received relating to other financing activities					10,000,000.00	43,000,000.00
Sub-total of cash inflows from financing activities		20,000,000.00	216,722,222.00	327,842,222.00	203,000,000.00	45,700,000.00
Cash repayment of borrowings						
Cash payments for distribution of dividends, profits or interest expenses		159,916.67				
Cash payments for other financing activities		1,080,700.37	648,420.22	1,296,840.44	55,344,637.88	1,002,663.74
Sub-total of cash outflows from financing activities		1,240,617.04	648,420.22	1,296,840.44	55,344,637.88	1,002,663.74
Net cash flows from financing activities		18,759,382.96	216,073,801.78	326,545,381.56	147,655,362.12	44,697,336.26
IV. Effect of change in foreign exchange rate on cash and cash equivalents		-5,135,836.07		-1,740,438.84		
V. Net increase in cash and cash equivalents		-105,790,507.90	151,985,291.09	267,268,546.60	-10,563,555.19	13,043,850.94
Add: Beginning balance of cash and cash equivalents		270,060,351.52	2,791,804.92	2,791,804.92	13,355,360.11	311,509.17
VI. Ending balance of cash and cash equivalents		164,269,843.62	154,777,096.01	270,060,351.52	2,791,804.92	13,355,360.11

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Statement of Changes in Owners' Equity
(All amounts in RMB Yuan unless otherwise stated)

For the six months ended June 30, 2026

Item	Equity attributable to shareholders of the parent company											Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
I. Ending balance of last year	15,855,386.00				579,686,836.00						-168,359,683.43	427,182,538.57		427,182,538.57
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	15,855,386.00				579,686,836.00						-168,359,683.43	427,182,538.57		427,182,538.57
III. Increase/decrease for the period (Decrease expressed with "-")											-162,346,167.44	-162,346,167.44		-162,346,167.44
(I) Total comprehensive income											-162,346,167.44	-162,346,167.44		-162,346,167.44
(II) Capital paid in and reduced by shareholders														
1. Ordinary shares paid by shareholders														
2. Capital paid by holders of other equity instruments														

For the six months ended June 30, 2026

Item	Equity attributable to shareholders of the parent company												Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
		Preference shares	Perpetual bonds	Others										
3. Amount of share-based payments recognized in owners' equity														
4. Others														
(III) Profit distribution														
1. Transfer to surplus reserve														
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Transfer within owners' equity														
1. Capitalization of capital reserve (or converted to paid-in capital)														
2. Capitalization of surplus reserve (or converted to paid-in capital)														

For the six months ended June 30, 2026

Item	Equity attributable to shareholders of the parent company													
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total	Non-controlling interests	Total equity
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														
5. Transfer from other comprehensive income to retained earnings														
6. Others														
(V) Special reserve														
1. Transfer in the period														
2. Utilization in the period														
(VI) Others														
IV. Ending balance of the period	15,855,386.00				579,686,836.00						-330,705,850.87	264,836,371.13		264,836,371.13

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Statement of Changes in Owners' Equity (Continued)
(All amounts in RMB Yuan unless otherwise stated)

For the year ended December 31, 2025

Item	Equity attributable to shareholders of the parent company													
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total	Non-controlling interests	Total equity
I. Ending balance of last year	13,394,444.00				254,305,556.00						-197,339,655.50	70,360,344.50		70,360,344.50
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	13,394,444.00				254,305,556.00						-197,339,655.50	70,360,344.50		70,360,344.50
III. Increase/decrease for the year (Decrease expressed with "-")	2,460,942.00				325,381,280.00						28,979,972.07	356,822,194.07		356,822,194.07
(I) Total comprehensive income											28,979,972.07	28,979,972.07		28,979,972.07
(II) Capital paid in and reduced by shareholders	2,460,942.00				325,381,280.00							327,842,222.00		327,842,222.00
1. Ordinary shares paid by shareholders	2,460,942.00				325,381,280.00							327,842,222.00		327,842,222.00
2. Capital paid by holders of other equity instruments														

For the year ended December 31, 2025

Item	Equity attributable to shareholders of the parent company												Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
3. Amount of share-based payments recognized in owners' equity														
4. Others														
(III) Profit distribution														
1. Transfer to surplus reserve														
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Transfer within owners' equity														
1. Capitalization of capital reserve (or converted to paid-in capital)														
2. Capitalization of surplus reserve (or converted to paid-in capital)														

For the year ended December 31, 2025

Item	Equity attributable to shareholders of the parent company													
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total	Non-controlling interests	Total equity
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														
5. Transfer from other comprehensive income to retained earnings														
6. Others														
(V) Special reserve														
1. Transfer in the year														
2. Utilization in the year														
(VI) Others														
IV. Ending balance of the year	15,855,386.00				579,686,836.00						-168,359,683.43	427,182,538.57		427,182,538.57

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Statement of Changes in Owners' Equity (Continued)
(All amounts in RMB Yuan unless otherwise stated)

	For the year ended December 31, 2024											
	Equity attributable to shareholders of the parent company											
		Other equity instruments				Less:	Other					
Item	Paid-in capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total	Non-controlling interests	Total equity
I. Ending balance of last year	8,200,000.00				66,500,000.00						-89,715,732.41	-15,015,732.41		-15,015,732.41
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	8,200,000.00				66,500,000.00						-89,715,732.41	-15,015,732.41		-15,015,732.41
III. Increase/decrease for the year (Decrease expressed with "-")	5,194,444.00				187,805,556.00						-107,623,923.09	85,376,076.91		85,376,076.91
(I) Total comprehensive income											-107,623,923.09	-107,623,923.09		-107,623,923.09
(II) Capital paid in and reduced by shareholders	5,194,444.00				187,805,556.00							193,000,000.00		193,000,000.00
1. Ordinary shares paid by shareholders	5,194,444.00				187,805,556.00							193,000,000.00		193,000,000.00
2. Capital paid by holders of other equity instruments														
3. Amount of share-based payments recognized in owners' equity														
4. Others														

For the year ended December 31, 2024

Item	Equity attributable to shareholders of the parent company												Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
(III) Profit distribution														
1. Transfer to surplus reserve														
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Transfer within owners' equity														
1. Capitalization of capital reserve (or converted to paid-in capital)														
2. Capitalization of surplus reserve (or converted to paid-in capital)														
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														

For the year ended December 31, 2024

Item	Equity attributable to shareholders of the parent company												Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
5. Transfer from other comprehensive income to retained earnings														
6. Others														
(V) Special reserve														
1. Transfer in the year														
2. Utilization in the year														
(VI) Others														
IV. Ending balance of the year	13,394,444.00				254,305,556.00						-197,339,655.50	70,360,344.50		70,360,344.50

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Consolidated Statement of Changes in Owners' Equity (Continued)
(All amounts in RMB Yuan unless otherwise stated)

For the year ended December 31, 2023

	Equity attributable to shareholders of the parent company													
		Other equity instruments				Less:	Other			Provision			Non-	
Item	Paid-in capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	for general risks	Retained earnings	Sub-total	controlling interests	Total equity
I. Ending balance of last year	5,500,000.00				66,500,000.00						-38,728,289.86	33,271,710.14		33,271,710.14
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	5,500,000.00				66,500,000.00						-38,728,289.86	33,271,710.14		33,271,710.14
III. Increase/decrease for the year (Decrease expressed with "-")	2,700,000.00										-50,987,442.55	-48,287,442.55		-48,287,442.55
(I) Total comprehensive income											-50,987,442.55	-50,987,442.55		-50,987,442.55
(II) Capital paid in and reduced by shareholders	2,700,000.00											2,700,000.00		2,700,000.00
1. Ordinary shares paid by shareholders	2,700,000.00											2,700,000.00		2,700,000.00
2. Capital paid by holders of other equity instruments														
3. Amount of share-based payments recognized in owners' equity														
4. Others														

For the year ended December 31, 2023

Item	Equity attributable to shareholders of the parent company												Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
		Preference shares	Perpetual bonds	Others										
(III) Profit distribution														
1. Transfer to surplus reserve														
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Transfer within owners' equity														
1. Capitalization of capital reserve (or converted to paid-in capital)														
2. Capitalization of surplus reserve (or converted to paid-in capital)														
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														
5. Transfer from other comprehensive income to retained earnings														
6. Others														

For the year ended December 31, 2023

Item	Equity attributable to shareholders of the parent company											Non-controlling interests	Total equity
	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
(V) Special reserve														
1. Transfer in the year														
2. Utilization in the year														
(VI) Others														
IV. Ending balance of the year	8,200,000.00				66,500,000.00						-89,715,732.41	-15,015,732.41		-15,015,732.41

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Statement of Changes in Owners' Equity of the Parent Company
(All amounts in RMB Yuan unless otherwise stated)

	For the six months ended June 30, 2026										
		Other equity instruments				Less:	Other				
Item	Paid-in capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Ending balance of last year	15,855,386.00				579,686,836.00					-165,924,020.78	429,618,201.22
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	15,855,386.00				579,686,836.00					-165,924,020.78	429,618,201.22
III. Increase/decrease for the period (Decrease expressed with "-")										-162,804,463.61	-162,804,463.61
(I) Total comprehensive income										-162,804,463.61	-162,804,463.61
(II) Capital paid in and reduced by shareholders											
1. Ordinary shares paid by shareholders											
2. Capital paid by holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution											
1. Transfer to surplus reserve											

For the six months ended June 30, 2026

Item	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Transfer within owners' equity											
1. Capitalization of capital reserve (or converted to paid-in capital)											
2. Capitalization of surplus reserve (or converted to paid-in capital)											
3. Loss offset by surplus reserve											
4. Transfer to retained earnings arising from change in defined benefit plans											
5. Transfer from other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer in the period											
2. Utilization in the period											
(VI) Others											
IV. Ending balance of the period	15,855,386.00				579,686,836.00					-328,728,484.39	266,813,737.61

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Statement of Changes in Owners' Equity of the Parent Company (Continued)
(All amounts in RMB Yuan unless otherwise stated)

	For the year ended December 31, 2025										
		Other equity instruments				Less:	Other				
Item	Paid-in capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Ending balance of last year	13,394,444.00				254,305,556.00					-194,449,054.42	73,250,945.58
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	13,394,444.00				254,305,556.00					-194,449,054.42	73,250,945.58
III. Increase/decrease for the year (Decrease expressed with "-")	2,460,942.00				325,381,280.00					28,525,033.64	356,367,255.64
(I) Total comprehensive income										28,525,033.64	28,525,033.64
(II) Capital paid in and reduced by shareholders	2,460,942.00				325,381,280.00						327,842,222.00
1. Ordinary shares paid by shareholders	2,460,942.00				325,381,280.00						327,842,222.00
2. Capital paid by holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution											
1. Transfer to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											

For the year ended December 31, 2025

Item	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
(IV) Transfer within owners' equity											
1. Capitalization of capital reserve (or converted to paid-in capital)											
2. Capitalization of surplus reserve (or converted to paid-in capital)											
3. Loss offset by surplus reserve											
4. Transfer to retained earnings arising from change in defined benefit plans											
5. Transfer from other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer in the year											
2. Utilization in the year											
(VI) Others											
IV. Ending balance of the year	15,855,386.00				579,686,836.00					-165,924,020.78	429,618,201.22

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Statement of Changes in Owners' Equity of the Parent Company (Continued)
(All amounts in RMB Yuan unless otherwise stated)

	For the year ended December 31, 2024										
		Other equity instruments				Less:	Other				
Item	Paid-in capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Ending balance of last year	8,200,000.00				66,500,000.00					-87,249,286.62	-12,549,286.62
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	8,200,000.00				66,500,000.00					-87,249,286.62	-12,549,286.62
III. Increase/decrease for the year (Decrease expressed with "-")	5,194,444.00				187,805,556.00					-107,199,767.80	85,800,232.20
(I) Total comprehensive income										-107,199,767.80	-107,199,767.80
(II) Capital paid in and reduced by shareholders	5,194,444.00				187,805,556.00						193,000,000.00
1. Ordinary shares paid by shareholders	5,194,444.00				187,805,556.00						193,000,000.00
2. Capital paid by holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution											
1. Transfer to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											

For the year ended December 31, 2024

Item	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
(IV) Transfer within owners' equity											
1. Capitalization of capital reserve (or converted to paid-in capital)											
2. Capitalization of surplus reserve (or converted to paid-in capital)											
3. Loss offset by surplus reserve											
4. Transfer to retained earnings arising from change in defined benefit plans											
5. Transfer from other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer in the year											
2. Utilization in the year											
(VI) Others											
IV. Ending balance of the year	13,394,444.00				254,305,556.00					-194,449,054.42	73,250,945.58

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Statement of Changes in Owners' Equity of the Parent Company (Continued)
(All amounts in RMB Yuan unless otherwise stated)

	For the year ended December 31, 2023										
		Other equity instruments				Less:	Other				
Item	Paid-in capital	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Ending balance of last year	5,500,000.00				66,500,000.00					-36,738,314.54	35,261,685.46
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	5,500,000.00				66,500,000.00					-36,738,314.54	35,261,685.46
III. Increase/decrease for the year (Decrease expressed with "-")	2,700,000.00									-50,510,972.08	-47,810,972.08
(I) Total comprehensive income										-50,510,972.08	-50,510,972.08
(II) Capital paid in and reduced by shareholders	2,700,000.00										2,700,000.00
1. Ordinary shares paid by shareholders	2,700,000.00										2,700,000.00
2. Capital paid by holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution											
1. Transfer to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											

For the year ended December 31, 2023

Item	Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
(IV) Transfer within owners' equity											
1. Capitalization of capital reserve (or converted to paid-in capital)											
2. Capitalization of surplus reserve (or converted to paid-in capital)											
3. Loss offset by surplus reserve											
4. Transfer to retained earnings arising from change in defined benefit plans											
5. Transfer from other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer in the year											
2. Utilization in the year											
(VI) Others											
IV. Ending balance of the year	8,200,000.00				66,500,000.00					-87,249,286.62	-12,549,286.62

The notes to the financial statements are an integral part of the financial statements.

Legal Representative: Chief Financial Officer: Accounting Manager:

Shanghai Minwei Biotechnology Co., Ltd.
Notes to the Financial Statements
(All amounts in RMB Yuan unless otherwise stated)

I. BASIC INFORMATION OF THE COMPANY

Shanghai Minwei Biotechnology Co., Ltd. (the "Company") was incorporated in April 2021.

Legal Representative: Zhang Bingfeng;

Registered Capital: RMB16,155,386;

Social Credit Code: 91310115MA1HBLD98F;

Registered address: No. 13, Lane 889, Ziping Road, Pudong New Area, Shanghai;

Industry: Biotechnology promotion and application services;

The Company's principal business activities are as follows: General business items: Technology development, technical consultation, technology transfer and technical services in the fields of biotechnology and medical technology (excluding the development and application of human stem cell, genetic diagnosis and therapeutic technologies); development, production and sales of instruments, equipment and plastic products; production and sales of laboratory equipment and supplies; development and sales of computer software. (Except for projects that require approval in accordance with the law, the Company may operate independently in accordance with the law based on its business licence.) Permitted business items: Technology import and export; goods import and export. (For projects that require approval in accordance with the law, business activities may be conducted only after approval by the relevant competent authorities; specific business items shall be subject to the approval documents or licenses issued by the relevant competent authorities);

Parent company: Lepu Medical Technology (Beijing) Co., Ltd.

The financial statements have been approved by the board of directors of the Company on November 12, 2026.

II. BASIS OF PREPARATION FOR THE FINANCIAL STATEMENTS

(1) Basis of preparation

The financial statements have been prepared in accordance with China Accounting Standards for Business Enterprises – Basic Standards and various specific accounting standards issued by the Ministry of Finance, the application guidelines for China Accounting Standards for Business Enterprises, the interpretation of China Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as "China Accounting Standards for Business Enterprises")

(2) Going concern

The financial statements have been prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Statement of compliance with China Accounting Standards for Business Enterprises

The financial statements are in compliance with Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely present the consolidated and parent company's financial position of the Company as at December 31, 2023, December 31, 2024, December 31, 2025 and June 30, 2026, and the consolidated and parent company's operating results and cash flows for the years and the period then ended.

(2) Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

(3) Operating cycle

The Company's operating cycle is 12 months.

(4) Reporting currency

The Company's reporting currency is Renminbi ("RMB").

(5) Recognition criteria for cash and cash equivalents

Cash indicates both cash on hand and the deposit held in bank which are available for payment at any time. Cash equivalents are referred as investments that are held in a short term, highly liquid and readily convertible to known amounts of cash and subject to insignificant risk of value change.

(6) Foreign currency transactions and translation of foreign exchange financial statements

1. Foreign currency transactions

Foreign currency transactions are translated into RMB using the spot exchange rates prevailing on the transaction date.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current

period, except for those attributable to special foreign currency borrowings that have been taken out for the acquisition or construction of qualifying assets, which are capitalized according to the principle of borrowing costs.

(7) Financial instruments

When the Company becomes a party to the financial instrument contract, a financial asset, financial liability or equity instruments will be recognized.

1. Classification of the financial instruments

Based on the business model under which the Company manages assets and the characteristics of contractual cash flows of financial assets, the financial assets are divided into the following categories at initial recognition: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The Company classifies a financial asset that meets any of the following conditions and has not been designated to be measured at fair value through profit or loss as an asset at amortized cost:

– The business model is operated for the objective of collecting contractual cash flows;

– The contractual cash flow is solely the payment of principal and interest on the principal amount outstanding.

The Company classifies a financial asset that meets any of the following conditions and has not been designated to be measured at fair value through profit or loss as a financial asset at fair value through other comprehensive income (debt instruments):

– The business model is to achieve the objective of collecting contractual cash flows and selling the financial assets;

– The contractual cash flow is solely the payment of principal and interest on the principal amount outstanding.

The Company can irrevocably designate equity instruments not held for trading as financial assets at fair value through other comprehensive income (equity instruments) at initial recognition. The designation is made on the basis of individual investment, and the relevant investment conforms to the definition of equity instrument from the perspective of the issuer.

Other than the above financial assets at amortized cost and at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets at fair value through profit or loss.

Financial liabilities are divided into financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost at initial recognition.

2. Recognition basis and measure method of financial instruments

(1) Financial assets at amortized cost

Financial assets at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount; however, accounts receivable without major financing components and accounts receivable with financing component less than one year left out by the Company are initially measured at the contract transaction price.

The interest calculated by the effective interest rate method is included in profit or loss during the holding period.

The difference between the acquisition price and the carrying value of the financial asset is included in profit or loss upon recovery or disposal.

(2) Financial assets at fair value through other comprehensive income (debt instruments)

Financial assets at fair value through other comprehensive income (debt instruments) include receivable financing and other debt investments, which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount. Such financial assets are subsequently measured at fair value, with changes in fair value included in other comprehensive income, except for the interest calculated by the effective interest rate method, impairment losses or gains and exchange gains or losses.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to profit or loss.

(3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments) include investments in other equity instruments, which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount. Such financial assets are subsequently measured at fair value, and the changes in fair value are included in other comprehensive income, with the dividends obtained therefrom included in profit or loss.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to retained earnings.

(4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading, derivative financial assets and other non-current financial assets, which are initially measured at fair value, and the relevant transaction expenses are included in profit or loss. Such financial assets are subsequently measured at fair value, with the changes in fair value included in profit or loss.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and derivative financial liabilities, which are initially measured at fair value, and the relevant transaction expenses are included in profit or loss. Such financial liabilities are subsequently measured at fair value, with the changes in fair value included in profit or loss.

Upon derecognition, the difference between the book value and the paid consideration is included in profit or loss.

(6) Financial liabilities at amortized cost

Financial liabilities at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payable, which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount.

The interest calculated by the effective interest method is included in profit or loss during the holding period.

Upon derecognition, the difference between the paid consideration and the book value of the financial liability is included in profit or loss.

3. Derecognition of financial assets, and recognition basis and measurement for transfers of financial assets

The Company derecognizes financial assets if any of the following conditions is satisfied:

– The contractual rights to receive cash flows from the financial asset expires;

– The financial asset has been transferred and substantially all risks and rewards pertaining to the ownership of such financial asset have been transferred to the transferee;

– The financial asset has been transferred to the transferee, and the Company has not transferred or retained substantially all risks and rewards pertaining to the ownership of such asset, nor does it maintain the control over the financial asset.

If the Company modifies or renegotiates a contract with a counterparty that constitutes a substantial modification, the recognition of the original financial asset shall be terminated, and a new financial asset shall be recognized in accordance with the modified terms.

When a financial asset is transferred, if substantially all risks and rewards pertaining to the ownership of such financial asset are retained, the recognition of the financial asset will not be terminated.

When judging whether the transfer of financial assets satisfies the above conditions for derecognition of financial assets, the Company adopts the principle of substance over form.

The Company divides the transfer of financial assets into overall transfer and partial transfer. In the case where the overall transfer of the financial asset meets the criteria for derecognition, the difference between the following two items will be included in profit or loss:

(1) the book value of transferred financial assets.

(2) the sum of the consideration received as a result of the transfer and the accumulated changes in fair value which were previously directly included in owners' equity (when the financial asset involved in transfer is the financial asset at fair value through other comprehensive income (debt instruments)).

In the case where the transfer of only part of the financial asset meets the criteria for derecognition, the carrying amount of financial asset being transferred is allocated between the portion to be derecognized and the portion that continues to be recognized according to their relative fair value. The difference between the following two items will be included in profit or loss:

(1) the book value of the derecognized part of the financial asset;

(2) the sum of the consideration of the derecognized part and the portion of accumulated changes in fair value previously included in owners' equity that corresponds to the derecognized part (when the financial asset involved in transfer is the financial asset at fair value through other comprehensive income (debt instruments)).

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset shall continue to be recognized, and its consideration shall be recognized as a financial liability.

4. Derecognition of financial liabilities

A financial liability or a part of financial liability is derecognized when the present obligation specified in the contract is discharged in whole or in part.

An agreement between the Company and a lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Where the contractual terms of an existing financial liability are substantially modified in whole or in part, the existing financial liability or a part thereof shall be derecognized, and the financial liability under the modified terms shall be recognized as a new financial liability.

When financial liabilities are derecognized in whole or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) is recognized in profit or loss for the period.

If the Company repurchases partial financial liabilities, the overall book value of the financial liabilities shall be distributed according to the relative fair value of the continuously recognized part and the derecognized part on the repurchase date. The difference between the book value allocated to the derecognized part and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be included in profit or loss for the period.

5. Determination of fair values of financial assets and financial liabilities

For financial instruments with an active market, their fair value shall be determined by the quotation in the active market. For financial instruments without an active market, their fair value is determined using valuation techniques. During the valuation, the Company adopts valuation techniques that are appropriate in the prevailing circumstances and supported by sufficient available data and other information, selects the inputs that are consistent with the characteristics of the asset or liability considered by market participants in the relevant transaction, and gives priority to the use of relevant observable inputs. Unobservable inputs are used only when the relevant observable inputs cannot be obtained or it is impractical to obtain them.

6. Testing method and accounting treatment for impairment of financial instruments

The Company applies impairment accounting based on expected credit losses to financial assets at amortized cost, financial assets at fair value through other comprehensive income (debt instruments) and financial guarantee contracts.

The Company considers reasonable and reliable information about past events, current conditions and forecast of future economic conditions, taking the weight of default risk, calculating the probability weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received and recognizing the expected credit loss.

For receivables and contract assets arising from transactions regulated by China Accounting Standards for Business Enterprises No. 14 – Income, the Company consistently measures the loss provision at the amount equivalent to the lifetime expected credit loss, irrespective of whether they contain significant financing components.

For lease receivables arising from transactions regulated by China Accounting Standards for Business Enterprises No. 21 – Leases, the Company elects to consistently measure the loss provision at the amount equivalent to the lifetime expected credit loss.

For other financial instruments, the Company assesses the credit risk changes of the relevant financial instruments since the initial recognition on each balance sheet date.

The Company determines the relative change in the risk of default over the expected life of a financial instrument by comparing the risk of default occurring at the balance sheet date with the risk of default occurring at the date of initial recognition, so as to assess whether the credit risk of the financial instrument has increased significantly since initial recognition. Generally, if contractual payments are more than 30 days past due, the Company considers that the credit risk on a financial instrument has increased significantly, unless there is conclusive evidence demonstrating that the credit risk of such financial instrument has not increased significantly since initial recognition.

If the credit risk of the financial instrument on the balance sheet date is low, the Company considers that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of the financial instrument has significantly increased since the initial recognition, the Company measures its loss provision at the amount equivalent to the lifetime expected credit loss of the financial instrument; if the credit risk of the financial instrument does not increase significantly after the initial recognition, the Company measures its loss provision at the amount equivalent to the 12-month expected credit loss of the financial instrument. The increase or reversal of the loss provision shall be included in profit or loss as impairment loss or gain. For financial assets at fair value through other comprehensive income (debt instruments), the loss provision is recognized in other comprehensive income, and the impairment loss or gain is included profit or loss, without reducing the carrying value of the financial assets listed in the balance sheet.

If there is objective evidence of credit impairment of a receivable, the Group makes an impairment provision on an individual basis.

Except for the above receivables with provisions for bad debts measured on an individual basis, the Group classifies receivables into various portfolios based on the characteristics of credit risk with reference to the historical credit loss experience, in combination with the current conditions and the assessment of future economic conditions, and calculates the expected credit loss on a grouping basis. The portfolio categories and determination basis of the expected credit losses for accounts receivable and other receivables are as follows:

Item	Portfolio	Basis
Accounts receivable and other receivables	Expected credit loss of grouping basis	According to the past historical experience, the Group makes the best estimate of the provision rates for receivables, and classifies them into credit risk portfolios with reference to the ageing of receivables, the credit ratings of customers and other relevant factors
Accounts receivable and other receivables	Related party of grouping basis	The Group classifies companies within the scope of consolidation of the Lepu Group as the related party portfolio

If the Company no longer reasonably expects that the contractual cash flows of the financial assets can be recovered in whole or in part, the book balance of the financial assets shall be directly written down.

(8) Inventories

1. Classification and cost of inventories

Inventory classification: raw materials.

Inventories are initially measured at cost. Cost of inventories comprises purchase costs, processing costs and other expenditures incurred in bringing the inventories to their present location and condition.

2. Valuation method of inventory delivered

When inventories are delivered, the actual cost is determined using the weighted-average method.

3. Inventory system

The Company adopts a perpetual inventory system.

4. Amortization method of low-value consumables and packaging materials

(1) Low-value consumables are amortized using the one-time write-off method;

(2) Packaging materials are amortized using the one-time write-off method.

5. Recognition criteria and measurement method for provision for impairment of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, a provision for impairment of inventories shall be made. Net realizable value refers to the amount of estimated price deducting estimated completion cost, selling expenses and related taxes in daily activities.

For finished goods, merchandise inventory and materials held for sale, being the inventory intended for direct sale, the net realizable value is determined, in the ordinary course of business, by estimated price deducting estimated selling expenses and related taxes. For the inventory of materials that require further processing, the net realizable value is determined, in the ordinary course of business, by the estimated selling price of the finished goods produced therefrom, less the estimated completion cost, selling expenses and related taxes. For inventories held for the execution of sales contracts or labor contracts, the net realizable value is calculated based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contract, the net realizable value of excess inventories is calculated based on the general sales price.

After the provision for impairment of inventories is made, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying value, the provision for impairment of inventories is reversed within the amount originally provided for, and the reversed amount is recognized in profit or loss for the current period.

(9) Long-term equity investments

1. Judgement criteria for joint control that have significant influence

Joint control refers to the common control over an arrangement according to relevant agreements, whose relevant activities can only be decided after the unanimous consent of the participants sharing control. Where the Company and other parties to the joint arrangement jointly control the invested entity and have rights to the net assets of it, the invested entity is a joint venture of the Company.

Significant influence means that the enterprise has the power to participate in the financial and operational decisions of the invested entity, but cannot control or jointly control the formulation of these policies with other parties. The invested entity is an associated enterprise of the Company, where it can influence the invested entity significantly.

2. Determination of initial investment cost

(1) Long-term equity investments acquired through business combinations

For long-term equity investments in subsidiaries arising from business combination under common control, the initial investment cost is measured at the share of the carrying value of the acquiree's equity recorded in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost of the long-term equity investment and the carrying value of the consideration paid is adjusted against the share premium in the capital reserve; if the share premium in the capital reserve is insufficient to absorb the difference, the adjustment is made against retained earnings. For long-term equity investments in subsidiaries arising from business combination not under common control, the initial investment cost is measured at the cost of combination as determined on the acquisition date.

(2) Long-term equity investments acquired by other means

For long-term equity investments acquired by cash payment, the initial cost of investment is the actual amount of cash paid for the purchase.

For long-term equity investments acquired by issuing equity securities, the initial cost of investment is the fair value of the equity securities issued.

3. Subsequent measurement and recognition of profit or loss

(1) Long-term equity investments accounted for under the cost method

The Company's long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment meets the conditions of holding for sale. In addition to the cash dividends or profits declared but not yet distributed that are included in the price or consideration actually paid at the time of acquiring the investment, the Company recognizes investment income for the period at the cash dividends or profits declared by the investee to which it is entitled.

(2) Long-term equity investments accounted for under the equity method

Long-term equity investments in associates and joint ventures are accounted for under the equity method. If the initial investment cost of a long-term equity investment is higher than the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted. If the initial

investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted.

The investment income and other comprehensive income are recognized in accordance with the Company's share of net profit or loss and other comprehensive income of the investee, respectively, and the carrying value of long-term equity investments is adjusted. The carrying value of long-term equity investments is reduced accordingly to the extent of the Company's share of profits or cash dividends declared by the investee. For changes in the owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "other changes in owners' equity"), the carrying value of the long-term equity investment is adjusted and recognized as owners' equity.

The share of net profit or loss, other comprehensive income and other changes in owners' equity of the investee is recognized on the basis of the fair value of the investee's identifiable assets at the time of acquisition, in accordance with the Company's accounting policies and accounting periods, and after adjusting the net profit and other comprehensive income of the investee.

In recognizing the share of net loss incurred by joint ventures or associates, not only the Company has the obligation to bear extra losses, but also the carrying value of long-term equity investments and other long-term interests that substantially constitute a net investment in the joint ventures or associates are written down to zero. If the joint ventures or associates achieve net profit in subsequent periods, the Company resumes recognition of its share of profits after the share of profits has fully covered the unrecognized share of losses.

(10) Fixed assets

1. Recognition and initial measurement of fixed assets

Fixed assets are tangible assets that are held for production of goods or provision of services, leasing to others, or for administrative purposes, which have useful life over one accounting year. Fixed assets are recognized when the following conditions are met at the same time:

(1) It is probable that the related economic benefits of fixed assets will flow to the Company;

(2) The costs of fixed assets can be reliably measured.

Fixed assets are initially measured at cost (taking into account the impact of expected disposal expenses).

Subsequent expenditures related to fixed assets are included in the cost of the fixed assets, if it is probable that the economic benefits associated with the fixed assets will flow to the Company and their cost can be measured reliably, and the carrying amount of the replaced part is derecognized. Subsequent expenditures other than these are charged to the current profit or loss as incurred.

2. Depreciation method

Depreciation of fixed assets is calculated using the straight-line method by category, with the depreciation rate determined based on the asset category, estimated useful life and estimated residual value rate. For fixed assets with provision for impairment, the depreciation amount shall be determined in future periods according to the book value after deducting the provision for impairment and the remaining useful life. Where the components of a fixed asset have different useful lives or provide economic benefits to the Company in different manners, different depreciation rates or depreciation methods are selected, and depreciation is provided separately for each component.

The depreciation method, useful life, residual value ratio and annual depreciation rate of fixed assets are as below:

Type	**Depreciation method**	**Useful life** *(year)*	**Residual value ratio** *(%)*	**Annual depreciation rate** *(%)*
Machinery equipment	Straight-line method	3-5	5	19.00-31.67
Transportation equipment	Straight-line method	5	5	19.00
Electronic equipment and others	Straight-line method	3	5	31.67

3. Disposal of fixed assets

Fixed assets are derecognized upon disposed or when no economic benefits are expected to be generated by their use or disposal. Proceeds from the disposal, transfer, retirement or destruction of fixed assets, net of their carrying amount and related taxes, are included in profit or loss for the current period.

(11) Borrowing costs

1. Criteria for recognition of capitalized borrowing costs

For borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets qualified for capitalization, the costs will be capitalized and included in the costs of the related assets. Other borrowing costs shall be recognized as expense in the period in which they are incurred and included in profit or loss for the current period.

Assets qualified for capitalization are assets (fixed assets, investment properties, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

2. Capitalization period of borrowing costs

The capitalization period shall refer to the period between the commencement and the cessation of capitalization of borrowing costs, excluding the period in which capitalization of borrowing costs is temporarily suspended.

Capitalization of borrowing costs begins when the following three conditions are fully satisfied:

(1) Expenditures for the assets (including cash paid, transferred non-currency assets or expenditure for bearing interest-bearing debt for the acquisition, construction or production of assets qualified for capitalization) have been incurred;

(2) Borrowing costs have been incurred;

(3) The activities of acquisition, construction or production that are necessary to enable the asset to reach its intended usable or saleable condition have commenced.

Capitalization of borrowing costs shall be ceased when the qualifying asset acquired, constructed or produced becomes ready for the intended use or sale.

3. Suspension of capitalization period

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months; if the interruption is a necessary step for making the qualifying asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized in profit or loss of the current period. When the acquisition and construction or production of the asset resumes, the capitalization of borrowing costs continues.

4. Calculation of capitalization rate and amount of borrowing costs

For specific borrowings for the acquisition, construction or production of assets qualified for capitalization, the amount of borrowing costs to be capitalized is determined as the borrowing costs actually incurred on such specific borrowings during the current period, less any interest income earned from depositing unused borrowing funds in banks or any investment income earned from temporary investments of such funds.

For general borrowings for the acquisition, construction or production of assets qualified for capitalization, the amount of borrowing costs to be capitalized is calculated by multiplying the weighted average of cumulative expenditure on the asset exceeding the portion funded by specific borrowings by the capitalization rate applicable to the general borrowings utilized. The capitalization rate is determined based on the weighted average effective interest rate of the general borrowings.

During the capitalization period, exchange differences arising from the principal and interest of foreign-currency specific borrowings are capitalized and included in the cost of the qualifying asset. Exchange differences arising from principal and interest on foreign-currency borrowings other than specific borrowings are recognized in profit or loss for the current period.

(12) Impairment of long-term assets

Long-term equity investments, investment properties measured under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-term assets are tested for impairment if there is an indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment is made for the difference and an impairment loss is recorded. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Provision for asset impairment is calculated and recognized on an individual asset basis or, if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest portfolio of assets that can generate cash inflows independently (i.e. the cash generating unit (CGU)).

Goodwill arising from business combinations, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable condition are tested for impairment at least at the end of each year, regardless of whether there is an indication of impairment.

The Company performs goodwill impairment testing, and the carrying value of goodwill arising from a business combination is apportioned to the relevant CGU from the date of purchase in accordance with a reasonable method; if it is difficult to apportion to the relevant CGU, it is apportioned to the relevant CGU group. A relevant CGU or CGU group can benefit from the synergies of business combination.

When impairment testing is performed on a relevant CGU or CGU group that contains goodwill, if there is an indication of impairment, the CGU or CGU group that does not contain goodwill is first tested, and the recoverable amount is calculated and compared with the relevant carrying amount to recognize the corresponding impairment loss. Impairment test is then carried out on the CGU or CGU group containing goodwill, with its book value compared with the recoverable amount. If the recoverable amount is lower than the book value, the amount of impairment loss shall first offset the book value of goodwill allocated to the CGU or CGU group, and then offset the book value of other assets in proportion according to the share of the book value of other assets (except goodwill) in the CGU or CGU group.

The above loss on impairment of assets, once recognized, will not be reversed in subsequent accounting periods.

(13) Long-term deferred expenses

Long-term deferred expenses are those expenses that have been incurred but for which the period of apportionment is more than one year and should be borne by the current and future periods.

1. Amortization method

Long-term prepaid expenses are amortized on a straight-line basis over their respective periods of benefit.

2. Amortization period

The amortization period is determined based on the period of economic benefit. Where a long-term deferred expense item is not expected to benefit subsequent accounting periods, the remaining unamortized balance of that item shall be fully charged to profit or loss for the current period.

(14) Employee benefits

1. Accounting treatment of short-term remuneration

During the accounting period when employees provide services, the Company shall recognize the short-term remuneration actually incurred as liabilities and record them in the current profit or loss or relevant asset costs.

Social insurance contributions and housing provident funds contributed by the Company for its employees, together with labor union expenditures and employee education funds withdrawn in accordance with relevant regulations, are recognized in employee remuneration based on the prescribed contribution base and rates during the accounting period when the employees provide services to the Company.

The employee benefits incurred by the Company shall be recorded in the current profit or loss or relevant asset costs according to the actual amount; where the employee benefits are non-monetary, they shall be measured at the fair value.

2. Accounting treatment for post-employment benefits

(1) Defined contribution plan

According to relevant regulations of the local government, the Company shall pay the basic endowment insurance and unemployment insurance for the employees. During the accounting period when the employees provide services, the payable amount shall be calculated according to the payment base and proportion required by the local regulations, recognized as liabilities and included in the current profit or loss or relevant asset costs.

In addition, the Company also participates in the enterprise annuity plan/supplementary pension fund approved by the relevant national departments. The Company shall pay to the annuity plan/local social insurance institution in accordance with the prescribed percentage of the total wages, and the corresponding expenditure shall be included in the current profit or loss or related asset costs.

(2) Defined benefit plan

The Company shall attribute the benefit obligations generated by the defined benefit plan to the period when the employees render services according to the projected accumulated benefit unit method and include such obligations in the current profit or loss or relevant asset cost.

The deficit or surplus arising from the present value of defined benefit plan obligation less the fair value of the defined benefit asset is recognized as a net defined benefit liability or net defined benefit asset. When the Company has a surplus in the defined benefit plan, it shall measure the net defined benefit asset at the lower of the surplus in the defined benefit plan and the asset ceiling.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period for which the employee provides services, are discounted by the market yield reported at the balance sheet date on treasury bonds or quality corporate bonds in the active market that have terms and currencies matching those of the defined benefit plan obligations.

Service costs arising from the defined benefit plan and the net interests of net defined benefit liability or net defined benefit asset are included in the current profit or loss or relevant asset costs; changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset are included in other comprehensive income and are not transferred to profit or loss in subsequent accounting periods, and all the parts originally included in other comprehensive income are transferred to undistributed profits within equity at the termination of the original defined benefit plan.

At the timing of settlement of the defined benefit plan, the gain or loss on the settlement is the difference between the present value of the defined benefit plan obligation determined at the settlement date and the settlement price.

3. Accounting treatment of termination benefits

Where the Company provides termination benefits to employees, the liability for employee remuneration arising from termination benefits is recognized at the earlier of the following two dates, with the corresponding amount recognized in profit or loss: when the Company cannot unilaterally withdraw the termination benefits offered under the plan to terminate the employment relationship or the proposal for redundancy; when the Company recognizes the costs or expenses related to the restructuring that involves the payment of termination benefits.

(15) Revenue

1. Accounting policy adopted in revenue recognition and measurement

Revenue is recognized when the Company fulfills its performance obligations in the contract, namely, when the customer obtains control of the relevant goods or services. To gain control of the relevant goods or services means to dominate the use of the goods or services and obtain almost all the economic benefits from it.

If two or more performance obligations are included in the contract, the Company shall, on the commencement date of the contract, allocate the transaction price to each performance obligation in proportion to the standard-alone selling prices of the goods or services committed under each performance obligation. The Company measures revenue at the transaction price apportioned to each performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding payments collected on behalf of a third party and amounts expected to be returned to the customer. The Company determines the transaction price according to the terms of the contract, in combination with its previous customary practices, and considers the influence of variable consideration, significant financing components existing in the contract, non-cash consideration, consideration payable to a customer and other factors when determining the transaction price. The Company shall include in the transaction price an amount of variable

consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Company determines the transaction price as the amount that would be payable when the customer is assumed to pay in cash at the time of obtaining control over the goods or services, and amortizes the difference between the transaction price and the contractual consideration using the effective interest rate method over the term of the contract. If one of the following conditions is satisfied, a performance obligation is fulfilled within a certain period, otherwise, at a certain point of time:

- The customer simultaneously receives and consumes the economic benefits brought by the Company as it fulfills the performance obligation.

- The customer can control the goods under construction in the course of contract performance.

- The goods produced by the Company in the course of contract performance have irreplaceable purposes, and the Company has the right to collect payments for performance completed to date throughout the term of the contract.

For the performance obligations fulfilled within a certain period of time, the Company shall recognize the income according to the performance progress within that period, except if the performance progress cannot be reasonably determined. Considering the nature of the goods or services, the Company adopts the output method or the input method to determine the performance progress. If the performance progress cannot be reasonably determined, and the cost incurred is expected to be compensated, the Company shall recognize the income according to the cost amount incurred until the performance progress can be reasonably determined.

For performance obligations fulfilled at a certain point of time, the Company recognizes revenue at the point when the customer obtains control of the relevant goods or services. In determining whether the customer has acquired control of the goods or services, the Company shall consider the following indications:

- The Company has the present right to payment collection for the goods or services, that is, the customer has a present payment obligation for the goods or services.

- The Company has transferred the legal title of the goods to the customer, meaning that the customer has obtained the legal title to the goods.

- The Company has transferred physical possession of the goods to the customer, meaning that the customer has taken physical possession of the goods.

- The Company has transferred the significant risks and rewards pertaining to the ownership of the goods to the customer, who therefore acquires the significant risks and rewards pertaining to the ownership of the goods.

- The customer has accepted the goods or services.

The Company determines whether its role in a transaction is that of a principal or an agent based on whether it controls the goods or services before they are transferred to the customer. If the Company controls the goods or services before transferring them to the customer, the Company acts as a principal and recognizes revenue at the gross amount of consideration received or receivable. Otherwise, the Company acts as an agent and recognizes revenue at the amount of commission or service fee to which it expects to be entitled.

2. Disclosure of specific revenue recognition and measurement methods according to business type

The Company recognizes revenue when it fulfills the performance obligation in a contract, that is, when the customer obtains control over the relevant goods or services. Revenue from the provision of services is recognized upon delivery and acceptance by the customer.

(16) Government grants

1. Type

Government grants represent monetary or non-monetary assets obtained from the government without consideration, which is classified as asset-related government grants and revenue-related government grants.

Asset-related government grants are those received by the Company for the purposes of acquiring, constructing or otherwise developing other long-term assets; revenue-related government grants are those other than asset-related government grants.

2. Timing of recognition

Government grants are recognized when the Company can satisfy the conditions attached thereto and the grants can be received.

3. Accounting treatment

Asset-related government grants are either deducted from the carrying amount of the related asset or recognized as deferred income. Where recognized as deferred income, the amount is recognized in profit or loss in instalments over the useful life of the related asset on a reasonable and systematic basis (credited to other income if related to the Company's ordinary activities; or credited to non-operating income if unrelated to the Company's ordinary activities).

Revenue-related government grants used to compensate the Company for related costs or losses of future periods shall be recognized as deferred income, and shall be included in the current profit or loss (credited to other income if related to the Company's ordinary activities; or credited to non-operating income if unrelated to the Company's ordinary activities) or offset relevant costs or losses during the period when such costs or losses are recognized; those used to compensate the Company for related costs or losses already incurred shall be included directly in the current profit or loss (credited to other income if related to the Company's ordinary activities; or credited to non-operating income if unrelated to the Company's ordinary activities) or offset relevant costs or losses.

For policy-based preferential loan interest subsidies received by the Company, the accounting treatment is performed separately under the following two circumstances:

(1) Where the finance authority allocates the interest subsidy funds to the lending bank, and the lending bank provides loans to the Company at a policy-based preferential interest rate, the Company recognizes the borrowings at the actual amount received, and calculates the related borrowing costs based on the principal amount and the policy-based preferential interest rate.

(2) Where the finance authority allocates the interest subsidy funds directly to the Company, the Company offsets the corresponding interest subsidy against the related borrowing costs.

(17) Deferred income tax assets and deferred income tax liabilities

Income tax includes the current income tax and the deferred income tax. Except for the income tax arising from the business merger and the transactions or matters directly included in the owners' equity (including other comprehensive income), the Company includes the current income tax and deferred income tax into the current profit or loss.

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax basis of the assets and liabilities and their book value.

The deferred income tax assets shall be recognized for the deductible temporary difference to the extent that the future taxable income is likely to be obtained for deducting deductible temporary difference. For the deductible losses and tax credits that can be carried forward to subsequent years, the corresponding deferred income tax assets shall be recognized to the extent that the future taxable income is likely to be used to offset the deductible losses and tax credits.

For the taxable temporary differences, the deferred income tax liabilities are recognized, except in special circumstances.

Exceptions to the recognition of deferred income tax assets or deferred income tax liabilities include:

- initial recognition of the goodwill;

- transactions or events that are not business combinations, and that at the time of occurrence affect neither accounting profit nor taxable income (or deductible loss), and in which the initial recognition of assets and liabilities does not give rise to equal taxable temporary differences and deductible temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences related to investments in subsidiaries, affiliates and joint ventures, unless the Company can control the timing of the temporary difference and the temporary difference will likely not to be reversed in the foreseeable future. Deferred income tax assets are recognized for the deductible temporary differences related to investments in subsidiaries, affiliates and joint ventures, when the temporary difference is likely to be reversed in the foreseeable future and the taxable income used to offset the deductible temporary difference is likely to be available in the future.

At the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled according to the requirements of tax laws.

At the balance sheet date, the Company reviews the book value of the deferred income tax assets. If it is likely that sufficient taxable income is not obtained to offset the deferred income tax assets, the book value of the deferred income tax assets is written down. If there are sufficient taxable income, the written down value is reversed.

Current income tax assets and current income tax liabilities are presented on a net basis when the Company has a legal right to settle on a net basis, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented on a net basis when both of the following conditions are satisfied:

- The tax payer has the legal right to settle current income tax assets and current income tax liabilities on a net basis;

- The deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities, but in each future period in which significant amounts of deferred income tax assets and liabilities are expected to be reversed, the taxable entities involved intend either to settle current income tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

(18) Lease

Lease refers to a contract in which the lessor gives the use right of the assets to the lessee for consideration within a certain period of time.

On the commencement date of the contract, the Company evaluates whether the contract is a lease or contains a lease. If a party to a contract transfers the right to control the use of one or more identified assets for a certain period in exchange for consideration, the contract is a lease or contains a lease.

Where a contract contains multiple separate leases, the Company separates the contract and accounts for each lease separately. Where a contract contains both lease and non-lease components, the lessee and lessor shall separate the lease components from the non-lease components.

1. The Company as the lessee

(1) Right-of-use assets

At the commencement date, the Company recognizes right-of-use assets for the leases other than short-term leases and leases of low-value assets. The right-of-use assets are initially measured at costs, which comprise:

- the amount of the initial measurement of the lease liability;

- any lease payments made at or before the commencement date, less any lease incentives received (if any);

- any initial direct costs incurred by the Company;

- the estimated costs to be incurred by the Company for dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company subsequently depreciates right-of-use assets using the straight-line method. Where it is reasonably certain that the Company will obtain ownership of the underlying asset at the end of the lease term, the Company depreciates the right-of-use asset over the remaining useful life of the underlying asset; otherwise, the right-of-use asset is depreciated over the shorter of the lease term and the remaining useful life of the underlying asset.

The Company shall determine whether the right-of-use assets are impaired in accordance with the principles set out in note "III. (12) Impairment of long-term assets", and account for any impairment losses identified.

(2) Lease liabilities

At the commencement date, the Company recognizes lease liabilities for the leases other than short-term leases and leases of low-value assets. The lease liabilities are initially measured at the present value of the outstanding lease payments. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);

- variable lease payments that depend on an index or a rate;

- amounts expected to be payable by the Company under residual value guarantees;

- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company adopts the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the incremental borrowing interest rate will be used as the discount rate.

The Company calculates the interest expense of the lease liabilities for each period during the lease term at a fixed periodic interest rate, and recognizes such interest expense in current profit or loss or relevant asset costs.

Variable lease payments not included in the measurement of lease liabilities are recognized in current profit or loss or relevant asset costs when they are actually incurred.

After the commencement date, the Company shall remeasure the lease liabilities and adjust the corresponding right-of-use assets in any of the following circumstances. If the book value of the right-of-use assets has been reduced to zero and further reduction in the lease liabilities is required, the difference shall be recognized in the current profit or loss:

- When the appraisal result of the purchase option, renewal option or termination option changes, or the actual exercise of the foregoing option is inconsistent with the original appraisal result, the Company remeasures the lease liabilities at the present value of the changed lease payments calculated by the revised discount rate;

- In the event of changes in the in-substance fixed payments, the amounts expected to be payable under residual value guarantees, or the index or ratio used to determine the amounts of lease payments, the Company shall remeasure the lease liabilities according to the present value of the changed lease payments calculated by the original discount rate. However, if the change in the lease payment results from the change in the floating interest rate, the present value is calculated using the revised discount rate.

(3) Short-term leases and leases of low-value assets

Where the Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, the related lease payments are recognized in current profit or loss or relevant asset costs on a straight-line basis for each period during the lease term. Short-term leases are leases that, at the commencement date, have a lease term not exceeding 12 months and do not contain purchase options. Leases of low-value assets are leases where the underlying asset has a low value when it is new on an individual basis. Where the Company subleases or expects to sublease an underlying asset, the original lease is not a lease of low-value assets.

(4) Lease modifications

Where a lease is modified and the modification meets the following conditions simultaneously, the Company accounts for the lease modification as a separate lease:

- The lease modification expands the scope of the lease by adding the right to use one or more leased assets;

- The increased consideration is equivalent to the standalone price for the expanded portion of the lease scope adjusted for the circumstances of that contract.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Company reapportions the consideration of the modified contract, redetermines the lease term, and remeasures the lease liability based on the present value of the modified lease payments calculated by the revised discount rate.

If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying value of the right-of-use asset accordingly and recognizes the gain or loss related to the partial or full termination of the lease in the profit or loss for the current period. If other lease modifications result in the remeasurement of the lease liability, the Company adjusts the carrying value of the right-of-use asset accordingly.

(19) Changes in important accounting policies and accounting estimates

1. Important accounting policy changes

None.

2. Changes in important accounting estimates

None.

IV. TAX

1. Main taxes and rates

		Tax rate			
Type	**Tax basis**	**For the six months ended June 30, 2026**	**For the year ended December 31, 2025**	**For the year ended December 31, 2024**	**For the year ended December 31, 2023**
VAT	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax of the period	6%, 9%, 13%	6%, 9%, 13%	6%, 9%, 13%	6%, 9%, 13%
Urban maintenance and construction tax	Based on the actual VAT paid	7%	7%	7%	7%
Enterprise income tax	Based on taxable income	15%, 20%	15%, 20%	15%, 20%	20%

Companies subject to different enterprise income tax rates are disclosed as follows:

	Income tax rate			
Name of tax payer	For the six months ended June 30, 2026	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Shanghai Minwei Biotechnology Co., Ltd.	15%	15%	15%	20%
Dongguan Yunjing Biotechnology Co., Ltd. (東莞雲璟生物技術有限公司)	20%	20%	20%	20%

2. Tax incentives

(1) Pursuant to the *Announcement of the Ministry of Finance and the State Taxation Administration on Taxation Policies to Further Support the Development of Small and Low-Profit Enterprises and Individual Businesses* (MOF and SAT Announcement No. 12 [2023]), the policy providing that small and low-profit enterprises are subject to a reduced rate of 25% in respect of the annual taxable income and a rate of 20% for the enterprise income tax is extended to December 31, 2027. In accordance with the above policy, Shanghai Minwei Biotechnology Co., Ltd. enjoyed the preferential enterprise income tax policy for small and low-profit enterprises during 2023, and Dongguan Yunjing Biotechnology Co., Ltd. enjoyed the preferential enterprise income tax policy for small and low-profit enterprises during the period from 2023 to 2026.

(2) The Company was accredited as a high-tech enterprise by Shanghai Municipal Commission of Science and Technology, Shanghai Municipal Bureau of Finance and Shanghai Municipal Tax Service, State Taxation Administration in December 2024, with certificate number of "GS202431000353" and a validity period of three years, and accordingly enjoys the preferential enterprise income tax rate for high-tech enterprises of 15% for the years of 2024, 2025 and 2026.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash at bank and on hand

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Cash on hand	12,170.00	14,240.00	18,000.00	10,000.00
Bank deposits	164,271,954.42	370,887,899.52	2,922,482.97	13,896,381.44
Other monetary funds	1,091,762.06	2,017.75	2,016.32	500.17
Subtotal	165,375,886.48	370,904,157.27	2,942,499.29	13,906,881.61
Interest receivable		270,833.33		
Total	165,375,886.48	371,174,990.60	2,942,499.29	13,906,881.61

(2) Accounts receivable

1. Ageing analysis of accounts receivable

Ageing	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Within 1 year		14,057,600.00	53,000.00	
Sub-total		14,057,600.00	53,000.00	
Less: Provision for bad debts		70,288.00	265.00	
Total		13,987,312.00	52,735.00	

2. Accounts receivable by method of bad debt provision

As at December 31, 2025

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	14,057,600.00	100.00	70,288.00	0.50	13,987,312.00
Including:					
Expected credit loss of grouping basis	14,057,600.00	100.00	70,288.00	0.50	13,987,312.00
Total	14,057,600.00	100.00	70,288.00		13,987,312.00

As at December 31, 2024

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	53,000.00	100.00	265.00	0.50	52,735.00
Including:					
Expected credit loss of grouping basis	53,000.00	100.00	265.00	0.50	52,735.00
Total	53,000.00	100.00	265.00		52,735.00

3. Provision for bad debts made, reversed or recovered in the reporting period

Type	As at December 31, 2023	Change amount during this period				As at December 31, 2024
		Provision	Reverse or withdraw	Transfer or write off	Other changes	
Expected credit loss of grouping basis		265.00				265.00
Total		265.00				265.00

Type	As at December 31, 2024	Change amount during this period				As at December 31, 2025
		Provision	Reverse or withdraw	Transfer or write off	Other changes	
Expected credit loss of grouping basis	265.00	70,023.00				70,288.00
Total	265.00	70,023.00				70,288.00

Type	As at December 31, 2025	Change amount during this period				As at June 30, 2026
		Provision	Reverse or withdraw	Transfer or write off	Other changes	
Expected credit loss of grouping basis	70,288.00		70,288.00			
Total	70,288.00		70,288.00			

(3) Prepayments

1. Ageing analysis of prepayments

Ageing	As at June 30, 2026		As at December 31, 2025		As at December 31, 2024		As at December 31, 2023	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	720,785.04	100.00	488,904.00	100.00	4,375,473.80	99.51	2,171,454.86	100.00
1-2 years					21,665.00	0.49		
Total	720,785.04	100.00	488,904.00	100.00	4,397,138.80	100.00	2,171,454.86	100.00

2. Prepayments by nature

Nature	As at June 30, 2026 Amount	Percentage (%)	As at December 31, 2025 Amount	Percentage (%)	As at December 31, 2024 Amount	Percentage (%)	As at December 31, 2023 Amount	Percentage (%)
Advances for purchase of goods					1,961,248.80	44.60	2,142,270.86	98.66
Prepaid service fees	720,785.04	100.00	488,904.00	100.00	2,435,890.00	55.40	29,184.00	1.34
Total	720,785.04	100.00	488,904.00	100.00	4,397,138.80	100.00	2,171,454.86	100.00

(4) Other receivables

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Interest receivable				
Dividends receivable				
Other receivables	584,138.10	662,958.20	624,313.20	825,303.43
Total	584,138.10	662,958.20	624,313.20	825,303.43

1. Other receivables

(1) Disclosure by ageing

Ageing	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Within 1 year	40,665.25	108,926.65	17,000.00	809,014.30
1-2 years	13,000.00	17,000.00	660,220.22	19,038.00
2-3 years	656,220.22	660,220.22	13,000.00	4,000.00
3-4 years	10,000.00	13,000.00	4,000.00	
4-5 years		4,000.00		
Over 5 years				
Sub-total	719,885.47	803,146.87	694,220.22	832,052.30
Less: Provision for bad debts	135,747.37	140,188.67	69,907.02	6,748.87
Total	584,138.10	662,958.20	624,313.20	825,303.43

(2) Other receivables by method of bad debt provision

As at June 30, 2026

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	719,885.47	100.00	135,747.37	18.86	584,138.10
Including:					
Expected credit loss of grouping basis	719,885.47	100.00	135,747.37	18.86	584,138.10
Total	719,885.47	100.00	135,747.37		584,138.10

As at December 31, 2025

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	803,146.87	100.00	140,188.67	17.45	662,958.20
Including:					
Expected credit loss of grouping basis	803,146.87	100.00	140,188.67	17.45	662,958.20
Total	803,146.87	100.00	140,188.67		662,958.20

As at December 31, 2024

	Book balance		Provision for bad debts		
Type	**Amount**	**Percentage** *(%)*	**Amount**	**Provision percentage** *(%)*	**Carrying Value**
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	694,220.22	100.00	69,907.02	10.07	624,313.20
Including:					
Expected credit loss of grouping basis	694,220.22	100.00	69,907.02	10.07	624,313.20
Total	694,220.22	100.00	69,907.02		624,313.20

As at December 31, 2023

	Book balance		Provision for bad debts		
Type	**Amount**	**Percentage** *(%)*	**Amount**	**Provision percentage** *(%)*	**Carrying Value**
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	832,052.30	100.00	6,748.87	0.81	825,303.43
Including:					
Expected credit loss of grouping basis	832,052.30	100.00	6,748.87	0.81	825,303.43
Total	832,052.30	100.00	6,748.87		825,303.43

(3) Provision for bad debts made, reversed or recovered in the reporting period

Type	As at December 31, 2022	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at December 31, 2023
Expected credit loss of grouping basis	158,817.18		152,068.31			6,748.87
Total	158,817.18		152,068.31			6,748.87

Type	As at December 31, 2023	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at December 31, 2024
Expected credit loss of grouping basis	6,748.87	63,158.15				69,907.02
Total	6,748.87	63,158.15				69,907.02

Type	As at December 31, 2024	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at December 31, 2025
Expected credit loss of grouping basis	69,907.02	70,281.65				140,188.67
Total	69,907.02	70,281.65				140,188.67

Type	As at December 31, 2025	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at June 30, 2026
Expected credit loss of grouping basis	140,188.67	19,558.70		24,000.00		135,747.37
Total	140,188.67	19,558.70		24,000.00		135,747.37

(5) Other receivables actually written off in the reporting period

Item	For the six months ended June 30, 2026	For the year ended December 31, 2025	2024	2023
Other receivables actually written off	24,000.00			

(6) Others categorized by nature of payment

Nature of other receivables	Book balance As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current payments	40,665.25	103,296.40	15,000.00	11,000.00
Reserve	20,000.00	20,000.00	20,000.00	10,000.00
Guarantee deposit	648,420.22	648,420.22	648,420.22	811,052.30
Security deposit	10,800.00	31,430.25	10,800.00	
Total	719,885.47	803,146.87	694,220.22	832,052.30

(5) Inventories

Type	As at June 30, 2026			As at December 31, 2025			As at December 31, 2024			As at December 31, 2023		
	Book balance	Provision for impairment of inventories	Carrying value	Book balance	Provision for impairment of inventories	Carrying value	Book balance	Provision for impairment of inventories	Carrying value	Book balance	Provision for impairment of inventories	Carrying value
Raw materials	683,017.93		683,017.93	134,253.82		134,253.82						
Materials entrusted for processing	3,028,301.88		3,028,301.88									
Total	3,711,319.81		3,711,319.81	134,253.82		134,253.82						

(6) Other current assets

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Deductible input VAT	5,239,677.04	3,573,672.88	2,117,350.54	1,323,687.04
Total	5,239,677.04	3,573,672.88	2,117,350.54	1,323,687.04

(7) Fixed assets

1. Fixed assets and disposal of fixed assets

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Fixed assets	11,671,545.38	13,571,219.69	15,358,797.66	6,251,835.09
Disposal of fixed assets				
Total	11,671,545.38	13,571,219.69	15,358,797.66	6,251,835.09

2. Breakdown of fixed assets

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
1. Original carrying amount				
(1) As at December 31, 2022	4,060,919.26		73,641.75	4,134,561.01
(2) Increase during this period	3,825,441.78	274,690.27	51,836.81	4,151,968.86
– Purchases	3,825,441.78	274,690.27	51,836.81	4,151,968.86
(3) Decrease during this period				
(4) As at December 31, 2023	7,886,361.04	274,690.27	125,478.56	8,286,529.87

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
2. Accumulated depreciation				
(1) As at December 31, 2022	753,286.70		26,520.89	779,807.59
(2) Increase during this period	1,201,824.08	18,312.68	34,750.43	1,254,887.19
– Provision made	1,201,824.08	18,312.68	34,750.43	1,254,887.19
(3) Decrease during this period				
(4) As at December 31, 2023	1,955,110.78	18,312.68	61,271.32	2,034,694.78
3. Provision for impairment				
(1) As at December 31, 2022				
(2) Increase during this period				
(3) Decrease during this period				
(4) As at December 31, 2023				
4. Carrying value				
(1) Net book value at December 31, 2023	5,931,250.26	256,377.59	64,207.24	6,251,835.09
(2) Net book value at December 31, 2022	3,307,632.56		47,120.86	3,354,753.42

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
1. Original carrying amount				
(1) As at December 31, 2023	7,886,361.04	274,690.27	125,478.56	8,286,529.87
(2) Increase during this period	11,882,183.00		112,469.30	11,994,652.30
– Purchases	11,882,183.00		112,469.30	11,994,652.30
(3) Decrease during this period				
(4) As at December 31, 2024	19,768,544.04	274,690.27	237,947.86	20,281,182.17

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
2. Accumulated depreciation				
(1) As at December 31, 2023	1,955,110.78	18,312.68	61,271.32	2,034,694.78
(2) Increase during this period	2,778,011.84	55,101.11	54,576.78	2,887,689.73
– Provision made	2,778,011.84	55,101.11	54,576.78	2,887,689.73
(3) Decrease during this period				
(4) As at December 31, 2024	4,733,122.62	73,413.79	115,848.10	4,922,384.51
3. Provision for impairment				
(1) As at December 31, 2023				
(2) Increase during this period				
(3) Decrease during this period				
(4) As at December 31, 2024				
4. Carrying value				
(1) Net book value at December 31, 2024	15,035,421.42	201,276.48	122,099.76	15,358,797.66
(2) Net book value at December 31, 2023	5,931,250.26	256,377.59	64,207.24	6,251,835.09

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
1. Original carrying amount				
(1) As at December 31, 2024	19,768,544.04	274,690.27	237,947.86	20,281,182.17
(2) Increase during this period	2,251,820.34		39,932.64	2,291,752.98
– Purchases	2,251,820.34		39,932.64	2,291,752.98
(3) Decrease during this period				
(4) As at December 31, 2025	22,020,364.38	274,690.27	277,880.50	22,572,935.15

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
2. Accumulated depreciation				
(1) As at December 31, 2024	4,733,122.62	73,413.79	115,848.10	4,922,384.51
(2) Increase during this period	3,975,175.04	52,191.14	51,964.77	4,079,330.95
– Provision made	3,975,175.04	52,191.14	51,964.77	4,079,330.95
(3) Decrease during this period				
(4) As at December 31, 2025	8,708,297.66	125,604.93	167,812.87	9,001,715.46
3. Provision for impairment				
(1) As at December 31, 2024				
(2) Increase during this period				
(3) Decrease during this period				
(4) As at December 31, 2025				
4. Carrying value				
(1) Net book value at December 31, 2025	13,312,066.72	149,085.34	110,067.63	13,571,219.69
(2) Net book value at December 31, 2024	15,035,421.42	201,276.48	122,099.76	15,358,797.66

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
1. Original carrying amount				
(1) As at December 31, 2025	22,020,364.38	274,690.27	277,880.50	22,572,935.15
(2) Increase during this period	193,628.33		75,287.80	268,916.13
– Purchases	193,628.33		75,287.80	268,916.13
(3) Decrease during this period				
(4) As at June 30, 2026	22,213,992.71	274,690.27	353,168.30	22,841,851.28
2. Accumulated depreciation				
(1) As at December 31, 2025	8,708,297.66	125,604.93	167,812.87	9,001,715.46

Item	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
(2) Increase during this period	2,112,967.70	26,095.56	29,527.18	2,168,590.44
– Provision made	2,112,967.70	26,095.56	29,527.18	2,168,590.44
(3) Decrease during this period				
(4) As at June 30, 2026	10,821,265.36	151,700.49	197,340.05	11,170,305.90
3. Provision for impairment				
(1) As at December 31, 2025				
(2) Increase during this period				
(3) Decrease during this period				
(4) As at June 30, 2026				
4. Carrying value				
(1) Net book value at June 30, 2026	11,392,727.35	122,989.78	155,828.25	11,671,545.38
(2) Net book value at December 31, 2025	13,312,066.72	149,085.34	110,067.63	13,571,219.69

(8) Right-of-use assets

Item	Buildings	Total
1. Original carrying amount		
(1) Balance as at December 31, 2022	3,282,301.88	3,282,301.88
(2) Increase during this period	12,718,402.96	12,718,402.96
– New leases	12,718,402.96	12,718,402.96
(3) Decrease during this period		
(4) Balance as at December 31, 2023	16,000,704.84	16,000,704.84
2. Accumulated depreciation		
(1) Balance as at December 31, 2022	683,812.89	683,812.89
(2) Increase during this period	547,050.31	547,050.31
– Provision made	547,050.31	547,050.31
(3) Decrease during this period		
(4) Balance as at December 31, 2023	1,230,863.20	1,230,863.20
3. Provision for impairment		
(1) Balance as at December 31, 2022		
(2) Increase during this period		
(3) Decrease during this period		
(4) Balance as at December 31, 2023		
4. Carrying value		
(1) Net book value at December 31, 2023	14,769,841.64	14,769,841.64
(2) Net book value at December 31, 2022	2,598,488.99	2,598,488.99

Item	Buildings	Total
1. Original carrying amount		
(1) Balance as at December 31, 2023	16,000,704.84	16,000,704.84
(2) Increase during this period		
(3) Decrease during this period	3,282,301.88	3,282,301.88
– Disposal	3,282,301.88	3,282,301.88
(4) Balance as at December 31, 2024	12,718,402.96	12,718,402.96
2. Accumulated depreciation		
(1) Balance as at December 31, 2023	1,230,863.20	1,230,863.20
(2) Increase during this period	2,296,378.28	2,296,378.28
– Provision made	2,296,378.28	2,296,378.28
(3) Decrease during this period	1,230,863.20	1,230,863.20
– Disposal	1,230,863.20	1,230,863.20
(4) Balance as at December 31, 2024	2,296,378.28	2,296,378.28
3. Provision for impairment		
(1) Balance as at December 31, 2023		
(2) Increase during this period		
– Disposal		
(3) Decrease during this period		
(4) Balance as at December 31, 2024		
4. Carrying value		
(1) Net book value at December 31, 2024	10,422,024.68	10,422,024.68
(2) Net book value at December 31, 2023	14,769,841.64	14,769,841.64

Item	Buildings	Total
1. Original carrying amount		
(1) Balance as at December 31, 2024	12,718,402.96	12,718,402.96
(2) Increase during this period		
(3) Decrease during this period		
(4) Balance as at December 31, 2025	12,718,402.96	12,718,402.96
2. Accumulated depreciation		
(1) Balance as at December 31, 2024	2,296,378.28	2,296,378.28
(2) Increase during this period	2,119,733.76	2,119,733.76
– Provision made	2,119,733.76	2,119,733.76
(3) Decrease during this period		
(4) Balance as at December 31, 2025	4,416,112.04	4,416,112.04
3. Provision for impairment		
(1) Balance as at December 31, 2024		
(2) Increase during this period		
(3) Decrease during this period		
(4) Balance as at December 31, 2025		
4. Carrying value		
(1) Net book value at December 31, 2025	8,302,290.92	8,302,290.92
(2) Net book value at December 31, 2024	10,422,024.68	10,422,024.68

Item	Buildings	Total
1. Original carrying amount		
(1) Balance as at December 31, 2025	12,718,402.96	12,718,402.96
(2) Increase during this period		
(3) Decrease during this period		
(4) Balance as at June 30, 2026	12,718,402.96	12,718,402.96
2. Accumulated depreciation		
(1) As at December 31, 2025	4,416,112.04	4,416,112.04
(2) Increase during this period	1,059,866.88	1,059,866.88
– Provision made	1,059,866.88	1,059,866.88
(3) Decrease during this period		
(4) Balance as at June 30, 2026	5,475,978.92	5,475,978.92
3. Provision for impairment		
(1) Balance as at December 31, 2025		
(2) Increase during this period		
(3) Decrease during this period		
(4) Balance as at June 30, 2026		
4. Carrying value		
(1) Net book value at June 30, 2026	7,242,424.04	7,242,424.04
(2) Net book value at December 31, 2025	8,302,290.92	8,302,290.92

(9) Long-term deferred expenses

Item	As at December 31, 2022	Increase for the period	Amortization for the period	Other decreases	As at December 31, 2023
Leasehold improvement	630,930.53	3,339,449.54	130,537.35		3,839,842.72
Others	56,454.02	42,452.82	11,680.14		87,226.70
Total	687,384.55	3,381,902.36	142,217.49		3,927,069.42

Item	As at December 31, 2023	Increase for the period	Amortization for the period	Other decreases	As at December 31, 2024
Leasehold improvement	3,839,842.72	1,786,422.02	1,212,319.78		4,413,944.96
Others	87,226.70	16,509.43	103,736.13		
Total	3,927,069.42	1,802,931.45	1,316,055.91		4,413,944.96

Item	As at December 31, 2024	Increase for the period	Amortization for the period	Other decreases	As at December 31, 2025
Leasehold improvement	4,413,944.96		854,311.92		3,559,633.04
Total	4,413,944.96		854,311.92		3,559,633.04

Item	As at December 31, 2025	Increase for the period	Amortization for the period	Other decreases	As at June 30, 2026
Leasehold improvement	3,559,633.04		427,155.96		3,132,477.08
Total	3,559,633.04		427,155.96		3,132,477.08

(10) Deferred income tax assets and deferred income tax liabilities

1. Deferred income tax assets not yet offset

Item	As at June 30, 2026		As at December 31, 2025		As at December 31, 2024		As at December 31, 2023	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	135,747.37	20,362.11	206,356.67	30,953.50				
Deductible loss	953,452,677.99	143,017,901.70	506,907,794.89	76,036,169.23	290,449,779.85	43,567,466.98		
Lease liabilities	8,250,759.76	1,237,613.96	9,560,037.15	1,434,005.57	11,025,156.66	1,653,773.50		
Interest settlement			1,740,299.36	261,044.90				
Total	961,839,185.12	144,275,877.77	518,414,488.07	77,762,173.20	301,474,936.51	45,221,240.48		

2. Deferred income tax liabilities not yet offset

Item	As at June 30, 2026		As at December 31, 2025		As at December 31, 2024		As at December 31, 2023	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Amortization of right-of-use assets	7,242,424.04	1,086,363.61	8,302,290.92	1,245,343.64	10,422,024.68	1,563,303.70		
Total	7,242,424.04	1,086,363.61	8,302,290.92	1,245,343.64	10,422,024.68	1,563,303.70		

3. Deferred income tax assets or liabilities presented on a net basis after offsetting

Item	As at June 30, 2026		As at December 31, 2025		As at December 31, 2024		As at December 31, 2023	
	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	1,086,363.61	143,189,514.16	1,245,343.64	76,516,829.56	1,563,303.70	43,657,936.78		
Deferred income tax liabilities	1,086,363.61		1,245,343.64		1,563,303.70			

(11) Other non-current assets

Item	As at June 30, 2026			As at December 31, 2025			As at December 31, 2024			As at December 31, 2023		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Advance payment for engineering and equipment							79,440.00		79,440.00	693,580.00		693,580.00
Large-denomination certificates of deposit *(Note)*	70,635,367.20		70,635,367.20									
Total	70,635,367.20		70,635,367.20				79,440.00		79,440.00	693,580.00		693,580.00

Note: As at 30 June 2026, the Company held three certificates of deposit, all acquired by way of transfer. The issuer is China Merchants Bank Co., Ltd., Shanghai Branch. The aggregate principal amount of the three certificates of deposit is RMB70,000,000 (being RMB10,000,000, RMB20,000,000 and RMB40,000,000 respectively). All certificates carry a fixed annual coupon rate of 1.75% with a term of three years.

(12) Short-term borrowings

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Unsecured loans *(Note)*	20,000,000.00			
Total	20,000,000.00			

Note: As at June 30, 2026, the Company's bank borrowing balance was RMB20,000,000.00 with an annual interest rate of 2.85%. Interest is payable quarterly. The maturity date was 11 September 2026 and the principal was repayable in full at maturity. This borrowing has been fully repaid subsequent to the balance sheet date.

(13) Accounts payable

Ageing analysis of accounts payable

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Within 1 year	114,563,210.86	45,981,384.04		4,700.00
Total	114,563,210.86	45,981,384.04		4,700.00

(14) Employee benefits payable

1. Breakdown of employee benefits payable

Item	As at December 31, 2022	Increase during the period	Decrease during the period	As at December 31, 2023
Short-term remuneration	691,003.89	6,389,741.52	6,014,737.69	1,066,007.72
Post-employment benefits – defined contribution plans		945,629.15	809,592.64	136,036.51
Termination benefits				
Other benefits due within one year				
Total	691,003.89	7,335,370.67	6,824,330.33	1,202,044.23

Item	As at December 31, 2023	Increase during the period	Decrease during the period	As at December 31, 2024
Short-term remuneration	1,066,007.72	11,240,736.06	10,278,735.44	2,028,008.34
Post-employment benefits – defined contribution plans	136,036.51	2,316,439.00	2,231,331.91	221,143.60
Termination benefits				
Other benefits due within one year				
Total	1,202,044.23	13,557,175.06	12,510,067.35	2,249,151.94

Item	As at December 31, 2024	Increase during the period	Decrease during the period	As at December 31, 2025
Short-term remuneration	2,028,008.34	19,739,947.89	15,479,257.82	6,288,698.41
Post-employment benefits – defined contribution plans	221,143.60	3,069,362.90	2,964,588.38	325,918.12
Termination benefits				
Other benefits due within one year				
Total	2,249,151.94	22,809,310.79	18,443,846.20	6,614,616.53

Item	As at December 31, 2025	Increase during the period	Decrease during the period	As at June 30, 2026
Short-term remuneration	6,288,698.41	11,600,218.27	16,136,139.30	1,752,777.38
Post-employment benefits – defined contribution plans	325,918.12	2,084,918.72	2,052,348.72	358,488.12
Termination benefits				
Other benefits due within one year				
Total	6,614,616.53	13,685,136.99	18,188,488.02	2,111,265.50

2. Breakdown of short-term remuneration

Item	As at December 31, 2022	Increase during the period	Decrease during the period	As at December 31, 2023
(1) Salaries, bonuses, allowances and subsidies	691,003.89	5,250,818.24	5,018,152.54	923,669.59
(2) Employee benefits				
(3) Social insurance contribution		555,589.28	489,421.15	66,168.13
Including:				
Medical insurance contribution		468,894.67	411,759.36	57,135.31
Work-related injury insurance contribution		9,062.91	8,192.28	870.63
Maternity insurance contribution		77,631.70	69,469.51	8,162.19
(4) Housing provident fund		583,334.00	507,164.00	76,170.00
(5) Labor union & employee education funds				
(6) Short-term paid leave				
(7) Short-term profit-sharing plan				
Total	691,003.89	6,389,741.52	6,014,737.69	1,066,007.72

Item	As at December 31, 2023	Increase during the period	Decrease during the period	As at December 31, 2024
(1) Salaries, bonuses, allowances and subsidies	923,669.59	9,192,400.47	8,310,368.31	1,805,701.75
(2) Employee benefits				
(3) Social insurance contribution	66,168.13	837,407.59	804,857.13	98,718.59
Including:				
Medical insurance contribution	57,135.31	815,095.68	774,927.75	97,303.24
Work-related injury insurance contribution	870.63	12,005.79	11,461.07	1,415.35
Maternity insurance contribution	8,162.19	10,306.12	18,468.31	
(4) Housing provident fund	76,170.00	1,210,928.00	1,163,510.00	123,588.00
(5) Labor union & employee education funds				
(6) Short-term paid leave				
(7) Short-term profit-sharing plan				
Total	1,066,007.72	11,240,736.06	10,278,735.44	2,028,008.34

Item	As at December 31, 2024	Increase during the period	Decrease during the period	As at December 31, 2025
(1) Salaries, bonuses, allowances and subsidies	1,805,701.75	16,645,971.53	12,487,212.21	5,964,461.07
(2) Employee benefits		4,700.00	4,700.00	
(3) Social insurance contribution	98,718.59	1,375,616.36	1,328,323.61	146,011.34
Including:				
Medical insurance contribution	97,303.24	1,351,052.18	1,304,951.38	143,404.04
Work-related injury insurance contribution	1,415.35	24,564.18	23,372.23	2,607.30
Maternity insurance contribution				
(4) Housing provident fund	123,588.00	1,713,660.00	1,659,022.00	178,226.00
(5) Labor union & employee education funds				
(6) Short-term paid leave				
(7) Short-term profit-sharing plan				
Total	2,028,008.34	19,739,947.89	15,479,257.82	6,288,698.41

Item	As at December 31, 2025	Increase during the period	Decrease during the period	As at June 30, 2026
(1) Salaries, bonuses, allowances and subsidies	5,964,461.07	9,118,267.28	13,688,730.66	1,393,997.69
(2) Employee benefits		380,588.09	380,588.09	
(3) Social insurance contribution	146,011.34	932,087.28	917,464.93	160,633.69
Including:				
Medical insurance contribution	143,404.04	915,256.51	900,925.71	157,734.84
Work-related injury insurance contribution	2,607.30	16,830.77	16,539.22	2,898.85
Maternity insurance contribution				
(4) Housing provident fund	178,226.00	1,163,563.00	1,143,643.00	198,146.00
(5) Labor union & employee education funds		5,712.62	5,712.62	
(6) Short-term paid leave				
(7) Short-term profit-sharing plan				
Total	6,288,698.41	11,600,218.27	16,136,139.30	1,752,777.38

3. Breakdown of defined contribution plans

Item	As at December 31, 2022	Increase during the period	Decrease during the period	As at December 31, 2023
Basic pension insurance		915,328.88	784,733.85	130,595.03
Unemployment insurance contribution		30,300.27	24,858.79	5,441.48
Contributions to enterprise annuity				
Total		945,629.15	809,592.64	136,036.51

Item	As at December 31, 2023	Increase during the period	Decrease during the period	As at December 31, 2024
Basic pension insurance	130,595.03	2,241,210.38	2,159,507.65	212,297.76
Unemployment insurance contribution	5,441.48	75,228.62	71,824.26	8,845.84
Contributions to enterprise annuity				
Total	136,036.51	2,316,439.00	2,231,331.91	221,143.60

Item	As at December 31, 2024	Increase during the period	Decrease during the period	As at December 31, 2025
Basic pension insurance	212,297.76	2,947,746.72	2,847,163.20	312,881.28
Unemployment insurance contribution	8,845.84	121,616.18	117,425.18	13,036.84
Contributions to enterprise annuity				
Total	221,143.60	3,069,362.90	2,964,588.38	325,918.12

Item	As at December 31, 2025	Increase during the period	Decrease during the period	As at June 30, 2026
Basic pension insurance	312,881.28	2,001,500.32	1,970,233.12	344,148.48
Unemployment insurance contribution	13,036.84	83,418.40	82,115.60	14,339.64
Contributions to enterprise annuity				
Total	325,918.12	2,084,918.72	2,052,348.72	358,488.12

(15) Taxes payable

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Value-added tax		1,301.89		
Individual income tax	167,653.97	1,213,646.93	253,027.81	98,362.75
Stamp tax	15,000.00	78,480.28	22,500.00	
Total	182,653.97	1,293,429.10	275,527.81	98,362.75

(16) Other payables

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Interest payable				
Dividends payable				
Other payables	1,558,873.11	1,340,059.32	156,000.00	43,000,000.00
Total	1,558,873.11	1,340,059.32	156,000.00	43,000,000.00

1. Other payables

(1) Classification by nature of payment

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current payments *(Note)*	1,558,873.11	1,290,059.32		43,000,000.00
Guarantee deposit and security deposit			156,000.00	
Others		50,000.00		
Total	1,558,873.11	1,340,059.32	156,000.00	43,000,000.00

Note: As at December 31, 2023, the outstanding balance of borrowings from Lepu Medical Technology (Beijing) Co., Ltd. ("Lepu Medical"), amounted to RMB43,000,000.

Pursuant to the Convertible Loan Agreement entered into by the Company, Lepu Medical and the Company's shareholders on May 23, 2023, Lepu Medical agreed to provide the Company with a convertible loan in an aggregate principal amount not exceeding RMB259,722,222. As at December 31, 2023, RMB43,000,000 had been actually drawn down, and the remaining facility had not yet been utilised. The loan is interest-free and shall mature one year from the date of actual drawdown by Lepu Medical.

(17) Non-current liabilities due within one year

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Lease liabilities due within one year	2,262,501.75	2,098,599.00	1,765,490.58	2,247,729.02
Total	2,262,501.75	2,098,599.00	1,765,490.58	2,247,729.02

(18) Lease liabilities

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Lease payments	8,843,896.59	10,430,245.76	12,214,888.58	16,473,107.60
Less: Unrecognized finance costs	593,136.83	870,208.61	1,189,731.92	1,892,829.08
Less: Lease liabilities due within one year	2,262,501.75	2,098,599.00	1,765,490.58	2,247,729.02
Total	5,988,258.01	7,461,438.15	9,259,666.08	12,332,549.50

(19) Paid-in capital

		Increase (+) or decrease (-) during the period				
Item	As at December 31, 2022	Capital paid in by shareholders	Capitalization of reserve funds	Others	Sub-total	As at December 31, 2023
Total paid-in capital	5,500,000.00	2,700,000.00			2,700,000.00	8,200,000.00
Han Weiyue (韓為躍)		4,105,000.00			4,105,000.00	4,105,000.00
Qingdao Minxin Venture Capital Center (Limited Partnership) (青島民芯創業投資中心(有限合夥))	3,500,000.00	-1,742,500.00			-1,742,500.00	1,757,500.00
Lepu Medical Technology (Beijing) Co., Ltd.		2,337,500.00			2,337,500.00	2,337,500.00
Dongguan Yunhao Enterprise Management Center (Limited Partnership) (東莞雲浩企業管理中心(有限合夥))	2,000,000.00	-2,000,000.00			-2,000,000.00	

Item	As at December 31, 2023	Increase (+) or decrease (-) during the period: Capital paid in by shareholders	Capitalization of reserve funds	Others	Sub-total	As at December 31, 2024
Total paid-in capital	8,200,000.00	5,194,444.00			5,194,444.00	13,394,444.00
Han Weiyue (韓為躍)	4,105,000.00	–				4,105,000.00
Qingdao Minxin Venture Capital Center (Limited Partnership) (青島民芯創業投資中心(有限合夥))	1,757,500.00	–				1,757,500.00
Lepu Medical Technology (Beijing) Co., Ltd.	2,337,500.00	5,194,444.00			5,194,444.00	7,531,944.00

Item	As at December 31, 2024	Increase (+) or decrease (-) during the period: Capital paid in by shareholders	Capitalization of reserve funds	Others	Sub-total	As at December 31, 2025
Total paid-in capital	13,394,444.00	2,460,942.00			2,460,942.00	15,855,386.00
Han Weiyue (韓為躍)	4,105,000.00	–				4,105,000.00
Qingdao Minxin Venture Capital Center (Limited Partnership) (青島民芯創業投資中心(有限合夥))	1,757,500.00	–				1,757,500.00
Lepu Medical Technology (Beijing) Co., Ltd.	7,531,944.00	1,230,471.00			1,230,471.00	8,762,415.00
Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥))	–	807,803.00			807,803.00	807,803.00
Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司)	–	422,668.00			422,668.00	422,668.00

Item	As at December 31, 2025	Increase (+) or decrease (-) during the period: Capital paid in by shareholders	Capitalization of reserve funds	Others	Sub-total	As at June 30, 2026
Total paid-in capital	15,855,386.00					15,855,386.00
Han Weiyue (韓為躍)	4,105,000.00					4,105,000.00
Qingdao Minxin Venture Capital Center (Limited Partnership) (青島民芯創業投資中心(有限合夥))	1,757,500.00					1,757,500.00
Lepu Medical Technology (Beijing) Co., Ltd.	8,762,415.00					8,762,415.00
Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥))	807,803.00					807,803.00
Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司)	422,668.00					422,668.00

(20) Capital reserve

Item	As at December 31, 2022	Increase during the period	Decrease during the period	As at December 31, 2023
Capital premium	66,500,000.00			66,500,000.00
Total	66,500,000.00			66,500,000.00

Item	As at December 31, 2023	Increase during the period	Decrease during the period	As at December 31, 2024
Capital premium	66,500,000.00	187,805,556.00		254,305,556.00
Total	66,500,000.00	187,805,556.00		254,305,556.00

Item	As at December 31, 2024	Increase during the period	Decrease during the period	As at December 31, 2025
Capital premium	254,305,556.00	325,381,280.00		579,686,836.00
Total	254,305,556.00	325,381,280.00		579,686,836.00

Item	As at December 31, 2025	Increase during the period	Decrease during the period	As at June 30, 2026
Capital premium	579,686,836.00			579,686,836.00
Total	579,686,836.00			579,686,836.00

(21) Retained earnings

Item	For the six months ended June 30, 2026	For the year ended December 31, 2025	2024	2023
Retained earnings before adjustment at the end of last year	-168,359,683.43	-197,339,655.50	-89,715,732.41	-38,728,289.86
Total adjustment to retained earnings at the beginning of the year (Increase +, Decrease -)				
Retained earnings after adjustment at the beginning of the year	-168,359,683.43	-197,339,655.50	-89,715,732.41	-38,728,289.86

Item	For the six months ended June 30, 2026	For the year ended December 31, 2025	2024	2023
Add: Net profit attributable to owners of the parent of the period	-162,346,167.44	28,979,972.07	-107,623,923.09	-50,987,442.55
Less: Appropriation of statutory surplus reserve				
Appropriation of discretionary surplus reserve				
Appropriation of provision for general risks				
Dividend payable on ordinary shares				
Dividend on ordinary share converted to share capital				
Retained earnings at the end of the period	-330,705,850.87	-168,359,683.43	-197,339,655.50	-89,715,732.41

(22) Operating income and operating cost

	For the six months ended June 30,				For the year ended December 31,					
	2026		2025 (unaudited)		2025		2024		2023	
Item	Income	Cost	Income	Cost	Income	Cost	Income	Cost	Income	Cost
Principal businesses					226,896,196.22	56,920.00	50,000.00	36,805.41	525,943.40	195,575.00
Other businesses										
Total					226,896,196.22	56,920.00	50,000.00	36,805.41	525,943.40	195,575.00

Note: In October 2025, the Company licensed MWN105 Injection, developed using its proprietary intellectual property, to Sidera for consideration. Under the agreement, Sidera obtained the global commercialization rights for the drug outside of the Greater China region (including Mainland China, Hong Kong, Macau, and Taiwan). In 2025, through this out-licensing transaction for business development, the Company's innovative drug business achieved an operating revenue of RMB226.75 million.

(23) Taxes and surcharges

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Stamp tax	28,500.00	37,500.00	87,480.28	38,201.84	19,826.58
Total	28,500.00	37,500.00	87,480.28	38,201.84	19,826.58

(24) Administrative expenses

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Employee benefit expense	4,379,960.78	2,281,377.54	7,002,497.47	3,083,316.44	941,468.00
Consulting service fees *(Note)*	2,994,562.41	33,018.87	2,820,683.29	335,590.92	21,679.25
Office expenses	888,367.57	314,063.41	1,165,611.10	1,187,439.65	237,447.38
Depreciation charges	577,071.51	570,600.74	1,140,460.18	2,019,695.96	27,308.73
Amortization of long-term deferred expenses	208,024.92	208,024.92	416,049.84	1,266,833.44	142,217.49
Traveling expense	188,949.16	107,147.93	227,047.86	89,281.53	46,025.66
Water, electricity and steam	125,899.84	108,022.03	293,725.99	207,753.64	
Property rental expenses	121,722.35	140,422.98	264,265.50	594,200.76	718,821.91
Business entertainment expense	63,330.67	183,205.20	317,230.03	252,174.46	83,204.29
Others	13,267.04	194,243.58	307,261.55	73,265.35	501.39
Total	9,561,156.25	4,140,127.20	13,954,832.81	9,109,552.15	2,218,674.10

Note: Consulting service fees increased significantly in 2025 and for the six months ended June 30, 2026, mainly under the business development and financing consultant agreement with Chengdu Boao Innovative Pharmaceutical Technology Co., Ltd. The consultant introduced business partner Sidera and provided business development services, and the Company recognises business development success fees at agreed percentages based on actual transaction consideration including R&D and sales-related milestones received.

(25) Research and development expenses

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Design and clinical trial fee	107,974,625.05	59,859,460.32	120,670,562.54	56,701,641.42	3,999,200.01
Materials consumed, energy expense, and testing expense	89,453,607.72	14,360,385.60	55,001,024.37	38,031,436.89	6,358,603.22
Employee benefit expense	9,426,185.71	6,958,118.40	18,736,869.31	11,709,044.77	7,339,701.87
Commissioned external research and development expense *(Note)*	5,526,415.70	7,222,852.00	14,435,644.32	31,954,796.72	30,828,355.13
Depreciation and amortization expense	2,870,516.85	2,769,681.92	5,496,866.61	2,811,083.08	1,227,578.46
Others	1,061,635.98	393,249.18	3,330,527.88	793,511.51	2,112,686.00
Total	216,312,987.01	91,563,747.42	217,671,495.03	142,001,514.39	51,866,124.69

Note: Outsourced R&D expenses mainly represent CMC process development and exploratory services from third-party contractors. Such expenditures are mostly incurred at the pre-clinical or early clinical trial stages of projects and will gradually reduce as the Company's clinical trials progress to Phase II and Phase III. Accordingly, research and development expenses trended downwards in 2025 versus 2024 and for the six months ended June 30, 2026 versus the corresponding period in 2025.

(26) Financial expenses

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest expense	436,988.45	111,599.98	319,523.31	487,983.80	122,118.10
Including: Interest expenses for lease liabilities	277,071.78	111,599.98	319,523.31	487,983.80	122,118.10
Less: Interest income *(Note)*	3,137,754.61	208,880.60	1,804,256.44	17,413.95	34,556.54
Net exchange losses/gains	6,466,748.74		1,834,638.84		
Service fee	9,096.93	6,469.15	13,218.28	8,611.01	4,728.32
Total	3,775,079.51	-90,811.47	363,123.99	479,180.86	92,289.88

Note: Interest income increased substantially in 2025 compared with 2024 due to a significant rise in the average bank deposit balance, which drove higher interest income. The substantial growth in interest income for the six months ended June 30, 2026 against the same period in 2025 was attributable to a notable increase in average bank deposit balances in the current interim period, with larger deposit scale pushing up interest income.

(27) Other income

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Government grants	300,000.00		1,000,000.00	116,888.90	17,617.56
Commission for withholding individual income tax	28,183.86	16,239.83	16,239.83	122,058.43	5,488.54
Total	328,183.86	16,239.83	1,016,239.83	238,947.33	23,106.10

(28) Investment income

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Investment income from wealth management products	280,245.81				271,804.89
Total	280,245.81				271,804.89

(29) Loss on impairment of credit

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Loss on bad debts of accounts receivable	-70,288.00	265.00	70,023.00	265.00	
Loss on bad debts of other receivables	19,558.70	-1,621.15	70,281.65	63,158.15	-152,068.31
Total	-50,729.30	-1,356.15	140,304.65	63,423.15	-152,068.31

(30) Gains from disposal of assets

Item	Amount					Included in non-recurring profit or loss in the period				
	For the six months ended June 30,		For the year ended December 31,			For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023	2026	2025 (unaudited)	2025	2024	2023
Gains or losses from disposal of right-of-use assets				-250,184.49					-250,184.49	
Total				-250,184.49					-250,184.49	

(31) Non-operating income

Item	Amount					Included in non-recurring profit or loss in the period				
	For the six months ended June 30,		For the year ended December 31,			For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023	2026	2025 (unaudited)	2025	2024	2023
Government grants		332,800.00	482,800.00	380,400.00	2,431,925.00		332,800.00	482,800.00	380,400.00	2,431,925.00
Others				183,534.59	200.00				183,534.59	200.00
Total		332,800.00	482,800.00	563,934.59	2,432,125.00		332,800.00	482,800.00	563,934.59	2,432,125.00

(32) Non-operating expenses

Item	Amount					Included in non-recurring profit or loss in the period				
	For the six months ended June 30,		For the year ended December 31,			For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023	2026	2025 (unaudited)	2025	2024	2023
Others	288.24			155,879.50		288.24			155,879.50	
Total	288.24			155,879.50		288.24			155,879.50	

(33) Income tax expense

1. Breakdown of income tax expense

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Current income tax expense					
Deferred tax expense	-66,672,684.60	-27,829,344.91	-32,858,892.78	-43,657,936.78	
Total	-66,672,684.60	-27,829,344.91	-32,858,892.78	-43,657,936.78	

2. Reconciliation of accounting profit to income tax expense

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025 (unaudited)	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
Total profit	-229,018,852.04	-95,302,879.47	-3,878,920.71	-151,281,859.87	-50,987,442.55
Income tax expenses calculated at applicable tax rate	-34,352,827.81	-14,295,431.92	-581,838.11	-22,692,278.98	-7,648,116.38
Impact of different tax rates for subsidiaries	-45,829.61	-3,895.76	-45,493.84	42,415.53	
Impact of non-deductible costs, expenses and losses	30,146.71		8,841.02	37,607.00	
Impact of utilization of deductible loss for which no deferred tax assets were previously recognized	-24,012.31	-12,170.68	-22,841.92		
Impact of deductible temporary differences or deductible losses for which no deferred tax assets are recognized for the period	994.00	30.00	95.00	30,465.40	7,648,116.38
Other additional deductible expenses under the tax regulations	-32,281,155.58	-13,517,876.55	-32,217,654.93	-21,076,145.73	
Income tax expense	-66,672,684.60	-27,829,344.91	-32,858,892.78	-43,657,936.78	

(34) Supplementary information to cash flow statements

1. Supplementary information to cash flow statements

Supplementary information	For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023
1. Reconciliation of net profit to cash flow of operating activities					
Net profit	-162,346,167.44	-67,473,534.56	28,979,972.07	-107,623,923.09	-50,987,442.55
Add: Loss on impairment of credit	-50,729.30	1,356.15	140,304.65	63,423.15	-152,068.31
Loss on impairment of assets					
Depreciation of fixed assets	2,168,590.44	2,061,284.74	4,079,330.95	2,887,689.73	1,254,887.19
Depreciation of oil and gas assets					
Depreciation of right-of-use assets	1,059,866.88	1,059,866.88	2,119,733.76	2,296,378.28	547,050.31
Amortization of intangible assets					
Amortization of long-term deferred expenses	427,155.96	427,155.96	854,311.92	1,316,055.91	142,217.49
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain represented by "-")				250,184.49	
Loss on scrapped fixed assets (gain represented by "-")					
Loss on change in fair value (gain represented by "-")					
Financial expenses (gains represented by "-")	436,988.45	111,599.98	319,523.31	487,983.80	122,118.10
Investment loss (gain represented by "-")	-280,245.81				-271,804.89
Decrease in deferred income tax assets (increase represented by "-")	-66,513,704.57	-27,670,364.88	-32,540,932.72	-45,221,240.48	
Increase in deferred income tax liabilities (decrease represented by "-")	-158,980.03	-158,980.03	-317,960.06	1,563,303.70	

Supplementary information	For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023
Decrease in inventories (increase represented by "-")	-3,577,065.99	-140,800.67	-134,253.82		
Decrease in operating receivables (increase represented by "-")	12,642,976.20	-1,301,927.38	-10,891,448.60	-2,934,515.36	-357,425.15
Increase of operating payables (decrease represented by "-")	66,117,891.41	30,126,996.43	52,644,299.65	-1,114,361.52	-518,744.21
Others					
Net cash flows from operating activities	-150,073,423.80	-62,957,347.38	45,252,881.11	-148,029,021.39	-50,221,212.02
2. Significant investing and financing activities that do not involve cash receipts and payments					
Conversion of debt into capital					
Convertible corporate bonds due within one year					
Right-of-use assets acquired by assuming lease liabilities					
3. Net movement in cash and cash equivalents					
Cash at the end of the period	164,284,124.42	155,015,408.55	370,902,139.52	2,940,482.97	13,906,381.44
Less: Cash at the beginning of period	370,902,139.52	2,940,482.97	2,940,482.97	13,906,381.44	388,613.85
Add: Cash equivalents at the end of the period					
Less: Cash equivalents at the beginning of the period					
Net increase in cash and cash equivalents	-206,618,015.10	152,074,925.58	367,961,656.55	-10,965,898.47	13,517,767.59

2. Composition of cash and cash equivalents

Item	As at June 30, 2026	As at June 30, 2025 (unaudited)	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
I. Cash	164,284,124.42	155,015,408.55	370,902,139.52	2,940,482.97	13,906,381.44
Including: Cash on hand	12,170.00	19,800.00	14,240.00	18,000.00	10,000.00
Digital currency readily available for payment					
Bank deposit readily available for payment	164,271,954.42	154,995,608.55	370,887,899.52	2,922,482.97	13,896,381.44
Other monetary funds readily available for payment					
Central bank deposits available for payment					
Deposits with banks and other financial institutions					
Placements with banks and other financial institutions					
II. Cash equivalents					
Including: Bond investment due within three months					
III. Cash and cash equivalents at the end of the period	164,284,124.42	155,015,408.55	370,902,139.52	2,940,482.97	13,906,381.44
Including: Cash and cash equivalents held but not available for use by the parent company or other subsidiaries within the group					

(35) Monetary items denominated in foreign currencies

As at June 30, 2026

Item	Balance in foreign currency	Exchange rate	RMB equivalent balance
Monetary funds			1,089,744.00
Including: USD	160,000.00	6.8109	1,089,744.00

As at December 31, 2025

Item	Balance in foreign currency	Exchange rate	RMB equivalent balance
Monetary funds			211,356,368.99
Including: USD	30,070,050.22	7.0288	211,356,368.99
Accounts receivable			14,057,600.00
Including: USD	2,000,000.00	7.0288	14,057,600.00

VI. RESEARCH AND DEVELOPMENT EXPENDITURES

(1) Expensed expenditure

Item	For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023
Design and clinical trial fee	107,974,625.05	59,859,460.32	120,670,562.54	56,701,641.42	3,999,200.01
Materials consumed, energy expense, and testing expense	89,453,607.72	14,360,385.60	55,001,024.37	38,031,436.89	6,358,603.22
Employee benefit expense	9,426,185.71	6,958,118.40	18,736,869.31	11,709,044.77	7,339,701.87
Commissioned external research and development expense	5,526,415.70	7,222,852.00	14,435,644.32	31,954,796.72	30,828,355.13
Depreciation and amortization expense	2,870,516.85	2,769,681.92	5,496,866.61	2,811,083.08	1,227,578.46
Others	1,061,635.98	393,249.18	3,330,527.88	793,511.51	2,112,686.00
Total	216,312,987.01	91,563,747.42	217,671,495.03	142,001,514.39	51,866,124.69
Including: Expensed research and development expenditure	216,312,987.01	91,563,747.42	217,671,495.03	142,001,514.39	51,866,124.69
Capitalized research and development expenditure					

VII. EQUITY IN OTHER ENTITIES

(1) Equity in subsidiaries

1. Composition of enterprise group

Name of subsidiary	Registered capital	Main operation location	Place of registration	Nature of business	As at June 30, 2026 Proportion of shareholding (%) Direct	As at June 30, 2026 Proportion of shareholding (%) Indirect	As at December 31, 2025 Proportion of shareholding (%) Direct	As at December 31, 2025 Proportion of shareholding (%) Indirect	As at December 31, 2024 Proportion of shareholding (%) Direct	As at December 31, 2024 Proportion of shareholding (%) Indirect	As at December 31, 2023 Proportion of shareholding (%) Direct	As at December 31, 2023 Proportion of shareholding (%) Indirect	Acquisition method
Dongguan Yunjing Biotechnology Co., Ltd.	5,000,000	Dongguan, Guangdong Province	Dongguan, Guangdong Province	Pharmaceutical research and development	100.00		100.00		100.00		100.00		Establishment

VIII. GOVERNMENT GRANTS

(1) Government grants included in profit or loss of the period

Category	For the six months ended June 30,		For the year ended December 31,		
	2026	2025 (unaudited)	2025	2024	2023
Asset-related government grants					
Revenue-related government grants	300,000.00	332,800.00	1,482,800.00	497,288.90	2,449,542.56
Total	300,000.00	332,800.00	1,482,800.00	497,288.90	2,449,542.56

IX. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

(1) The parent of the Company

Name of parent	Place of registration	Nature of business	Registered capital	Shareholding in the Company *(%)*	Voting rights in the Company *(%)*
Lepu Medical Technology (Beijing) Co., Ltd.	Changping District, Beijing	Medical equipment production and sales	RMB1,880,610,488	54.24	54.24

The ultimate controller of the Company: Mr. Pu Zhongjie.

(2) Subsidiaries of the Company

Please refer to Note "VII. Equity in other entities" for details of the subsidiaries of the Company.

(3) Other related parties

Name of other related parties	Relationship with the Company
Dongguan Yunhan Enterprise Management Center (Limited Partnership) (東莞雲瀚企業管理中心(有限合夥))	Shareholder of the Company
Lepu Jiantang Pharmaceutical (Chongqing) Co., Ltd. (樂普健糖藥業(重慶)有限公司)	Same ultimate controlling party
Beijing Highthink Pharmaceutical Technology Service Co., Ltd.	Investee company of the parent

(4) Related-party transactions

1. Related-party transactions in relation to purchase and sale of goods and provision and receipt of services

Purchase of goods/receipt of services

		For the six months ended June 30,		For the year ended December 31,		
Related party	Type of transaction	2026	2025	2025	2024	2023
Beijing Highthink Pharmaceutical Technology Service Co., Ltd.	Receipt of services	49,043,707.56	2,289,037.75	22,898,755.78	938,150.95	
Lepu Jiantang Pharmaceutical (Chongqing) Co., Ltd.	Receipt of services		1,886,792.45	1,886,792.45		

(5) Related-party accounts receivable, payable and other unsettled items

1. Receivables

		As at June 30, 2026		As at December 31, 2025		As at December 31, 2024		As at December 31, 2023	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Prepayments									
	Lepu Jiantang Pharmaceutical (Chongqing) Co., Ltd.					2,000,000.00			

Item	Related party	As at June 30, 2026 Book balance	As at June 30, 2026 Provision for bad debts	As at December 31, 2025 Book balance	As at December 31, 2025 Provision for bad debts	As at December 31, 2024 Book balance	As at December 31, 2024 Provision for bad debts	As at December 31, 2023 Book balance	As at December 31, 2023 Provision for bad debts
Other receivables									
	Dongguan Yunhan Enterprise Management Center (Limited Partnership) (東莞雲瀚企業管理中心(有限合夥))			19,000.00	4,120.00	15,000.00	2,200.00	11,000.00	1,120.00

2. Payables

Item	Related party	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Accounts payable					
	Beijing Highthink Pharmaceutical Technology Service Co., Ltd.	29,885,978.80	5,476,426.12		
Other payables					
	Lepu Medical Technology (Beijing) Co., Ltd.				43,000,000.00

X. COMMITMENTS AND CONTINGENCIES

(1) Significant commitments

As of the balance sheet date, the Company has no significant commitments that require disclosure.

(2) Contingencies

As of the balance sheet date, the Company has no contingencies that require disclosure.

XI. EVENTS AFTER THE BALANCE SHEET DATE

Up to the date of issue of this report, there are no significant events after the balance sheet date requiring disclosure by the Company.

XII. OTHER MATERIAL MATTERS

As at the balance sheet date, there are no other material matters requiring disclosure by the Company.

XIII. NOTES TO THE KEY ITEMS UNDER THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

(1) Accounts receivable

1. Ageing analysis of accounts receivable

Ageing	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Within 1 year		14,057,600.00	53,000.00	
Sub-total		14,057,600.00	53,000.00	
Less: Provision for bad debts		70,288.00	265.00	
Total		13,987,312.00	52,735.00	

2. Accounts receivable by method of bad debt provision

As at December 31, 2025

Type	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying Value
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	14,057,600.00	100.00	70,288.00	0.50	13,987,312.00
Including:					
Expected credit loss of grouping basis	14,057,600.00	100.00	70,288.00	0.50	13,987,312.00
Total	14,057,600.00	100.00	70,288.00		13,987,312.00

As at December 31, 2024

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	53,000.00	100.00	265.00	0.50	52,735.00
Including:					
Expected credit loss of grouping basis	53,000.00	100.00	265.00	0.50	52,735.00
Total	53,000.00	100.00	265.00		52,735.00

3. Provision for bad debts made, reversed or recovered in the reporting period

Type	As at December 31, 2023	Change amount during this period				As at December 31, 2024
		Provision	Reverse or withdraw	Transfer or write off	Other changes	
Expected credit loss of grouping basis		265.00				265.00
Total		265.00				265.00

Type	As at December 31, 2024	Change amount during this period				As at December 31, 2025
		Provision	Reverse or withdraw	Transfer or write off	Other changes	
Expected credit loss of grouping basis	265.00	70,023.00				70,288.00
Total	265.00	70,023.00				70,288.00

Type	As at December 31, 2025	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at June 30, 2026
Expected credit loss of grouping basis	70,288.00	-70,288.00				
Total	70,288.00	-70,288.00				

(2) Other receivables

Item	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Interest receivable				
Dividends receivable				
Other receivables *(Note)*	584,138.10	101,788,078.20	1,651,533.20	1,855,423.43
Total	584,138.10	101,788,078.20	1,651,533.20	1,855,423.43

Note: As at December 31, 2025, the balance of other receivables increased substantially compared with December 31, 2024, mainly due to inter-company funds advanced to the subsidiary, Dongguan Yunjing Biotechnology Co., Ltd.

1. Other receivables

(1) Disclosure by ageing

Ageing	As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Within 1 year	40,665.25	101,244,926.65	13,000.00	1,255,014.30
1-2 years	13,000.00	13,000.00	1,106,220.22	606,038.00
2-3 years	656,220.22	656,220.22	600,000.00	
3-4 years	10,000.00	10,000.00		
4-5 years				
Over 5 years				
Sub-total	719,885.47	101,924,146.87	1,719,220.22	1,861,052.30
Less: Provision for bad debts	135,747.37	136,068.67	67,687.02	5,628.87
Total	584,138.10	101,788,078.20	1,651,533.20	1,855,423.43

(2) Other receivables by method of bad debt provision

As at June 30, 2026

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	719,885.47	100.00	135,747.37	18.86	584,138.10
Including:					
Expected credit loss of grouping basis	719,885.47	100.00	135,747.37	18.86	584,138.10
Total	719,885.47	100.00	135,747.37		584,138.10

As at December 31, 2025

Type	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	101,924,146.87	100.00	136,068.67	0.13	101,788,078.20
Including:					
Expected credit loss of grouping basis	784,146.87	0.77	136,068.67	17.35	648,078.20
Related party of grouping basis	101,140,000.00	99.23			101,140,000.00
Total	101,924,146.87	100.00	136,068.67		101,788,078.20

As at December 31, 2024

	Book balance		Provision for bad debts		
Type	**Amount**	**Percentage** *(%)*	**Amount**	**Provision percentage** *(%)*	**Carrying Value**
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	1,719,220.22	100.00	67,687.02	3.94	1,651,533.20
Including:					
Expected credit loss of grouping basis	679,220.22	39.51	67,687.02	9.97	611,533.20
Related party of grouping basis	1,040,000.00	60.49			1,040,000.00
Total	1,719,220.22	100.00	67,687.02		1,651,533.20

As at December 31, 2023

	Book balance		Provision for bad debts		
Type	**Amount**	**Percentage** *(%)*	**Amount**	**Provision percentage** *(%)*	**Carrying Value**
Provision for bad debts made on an individual basis					
Provision for bad debts made on a grouping basis by credit risk characteristics	1,861,052.30	100.00	5,628.87	0.30	1,855,423.43
Including:					
Expected credit loss of grouping basis	821,052.30	44.12	5,628.87	0.69	815,423.43
Related party of grouping basis	1,040,000.00	55.88			1,040,000.00
Total	1,861,052.30	100.00	5,628.87		1,855,423.43

(3) Provision for bad debts made, reversed or recovered in the reporting period

Type	As at December 31, 2022	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at December 31, 2023
Expected credit loss of grouping basis	17,987.18		12,358.31			5,628.87
Total	17,987.18		12,358.31			5,628.87

Type	As at December 31, 2023	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at December 31, 2024
Expected credit loss of grouping basis	5,628.87	62,058.15				67,687.02
Total	5,628.87	62,058.15				67,687.02

Type	As at December 31, 2024	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at December 31, 2025
Expected credit loss of grouping basis	67,687.02	68,381.65				136,068.67
Total	67,687.02	68,381.65				136,068.67

Type	As at December 31, 2025	Change amount during this period: Provision	Reverse or withdraw	Transfer or write off	Other changes	As at June 30, 2026
Expected credit loss of grouping basis	136,068.67	199,678.70		200,000.00		135,747.37
Total	136,068.67	199,678.70		200,000.00		135,747.37

(4) Other receivables actually written off in the reporting period

Item	For the six months ended June 30, 2026	For the year ended December 31, 2025	2024	2023
Other receivables actually written off	200,000.00			

(5) Others categorized by nature of payment

Nature of other receivables	Book balance As at June 30, 2026	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current payments *(Note)*	40,665.25	101,224,296.40	1,040,000.00	1,040,000.00
Reserve	20,000.00	20,000.00	20,000.00	10,000.00
Guarantee deposit	648,420.22	648,420.22	648,420.22	811,052.30
Security deposit	10,800.00	31,430.25	10,800.00	
Total	719,885.47	101,924,146.87	1,719,220.22	1,861,052.30

Note: As at December 31, 2025, the balance of inter-company current payments increased substantially compared with December 31, 2024, mainly due to inter-company funds advanced to the subsidiary, Dongguan Yunjing Biotechnology Co., Ltd.

(3) Long-term equity investments

Item	As at June 30, 2026			As at December 31, 2025			As at December 31, 2024			As at December 31, 2023		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Investments in subsidiaries	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00
Total	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00

1. Investments in subsidiaries

	As at December 31, 2022		Changes during the period				As at December 31, 2023	
Investee	Carrying value	Provision for impairment	Additional investments	Reduction of investments	Impairment provision during the period	Others	Carrying value	Provision for impairment
Dongguan Yunjing Biotechnology Co., Ltd.	2,000,000.00						2,000,000.00	
Total	2,000,000.00						2,000,000.00	

	As at December 31, 2023		Changes during the period				As at December 31, 2024	
Investee	Carrying value	Provision for impairment	Additional investments	Reduction of investments	Impairment provision during the period	Others	Carrying value	Provision for impairment
Dongguan Yunjing Biotechnology Co., Ltd.	2,000,000.00						2,000,000.00	
Total	2,000,000.00						2,000,000.00	

	As at December 31, 2024		Changes during the period				As at December 31, 2025	
Investee	Carrying value	Provision for impairment	Additional investments	Reduction of investments	Impairment provision during the period	Others	Carrying value	Provision for impairment
Dongguan Yunjing Biotechnology Co., Ltd.	2,000,000.00						2,000,000.00	
Total	2,000,000.00						2,000,000.00	

	As at December 31, 2025		Changes during the period				As at June 30, 2026	
Investee	Carrying value	Provision for impairment	Additional investments	Reduction of investments	Impairment provision during the period	Others	Carrying value	Provision for impairment
Dongguan Yunjing Biotechnology Co., Ltd.	2,000,000.00						2,000,000.00	
Total	2,000,000.00						2,000,000.00	

(4) Operating income and operating cost

	For the six months ended June 30,				For the year ended December 31,					
	2026		2025 (unaudited)		2025		2024		2023	
Item	Income	Cost	Income	Cost	Income	Cost	Income	Cost	Income	Cost
Principal businesses					226,896,196.22	56,920.00	50,000.00	36,805.41	525,943.40	195,575.00
Other businesses										
Total					226,896,196.22	56,920.00	50,000.00	36,805.41	525,943.40	195,575.00

(5) Investment income

Item	For the six months ended June 30, 2026	2025 (unaudited)	For the year ended December 31, 2025	2024	2023
Investment income from wealth management products	280,245.81				271,804.89
Total	280,245.81				271,804.89

Shanghai Minwei Biotechnology Co., Ltd.

November 12, 2026

Set out below is the management discussion and analysis of the Target Group for each of the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026. The following financial information is based on the financial information of the Target Group as set out in Appendix II to this Circular.

BUSINESS REVIEW

The Target Company is a limited liability company established in the PRC on April 20, 2021. It has a registered capital of RMB16,155,386 as of the Latest Practicable Date. The Target Company focuses on the fields of cardiovascular, endocrine and metabolic diseases and their complications. It possesses the GPCR agonist screening platform LAGMA, the RAF™ ultra-long-acting molecule development platform and the Dual-siRNA development platform, enabling the screening of multi-target innovative drugs such as GLP-1/GIP, macromolecular antibodies with longer half-lives and lower clinical dosages, and innovative siRNA drugs with dosing intervals of six months or even longer. As at the Latest Practicable Date, the Target Company's drug candidate MWX203 injection (dyslipidemia indication) and the drug candidate MWN105 injection (obesity indication) are undergoing Phase II clinical trials; the drug candidate MWN109 tablet (obesity indication) has completed Phase II clinical dosing; the drug candidate MWN109 injection (obesity indication) has entered Phase III clinical trials; the drug candidate MWX401 injection (essential hypertension indication) is undergoing Phase I clinical trials; and the drug candidate MWN110 injection (weight management indication) is in Phase I clinical trials. The table below sets out R&D progress of the core products in the Target Company's novel drug candidate R&D pipeline:

				Dosage			Clinical	
Project	**Target**	**Type**	**Indication**	**Form**	**Pre-clinical**	**Phase I**	**Phase II**	**Phase III**
MWN101	GLP-1/ GIP/GCG	Fc fusion protein	Type 2 diabetes/ obesity	Injection	√	√	√	
MWN105	GLP-1/ GIP/FGF21	Fc fusion protein	MASH	Injection	√	√	√	
MWX301	/	Fc fusion protein	Heart failure	Injection	√			
MWN109	GLP-1/ GIP/GCG	Fatty acid chain-modified peptide	Type 2 diabetes/ obesity/ OSA	Injection	√	√	√	√
				Tablet	√	√	√	
MWN110	ActRII a/b	Monoclonal antibody	Adult weight management	Injection	√	√		
MWN117	INHBE	siRNA	Overweight/ obesity	Injection	√	√		
MWX203	Angptl3	siRNA	Dyslipidemia	Injection	√	√	√	

Project	Target	Type	Indication	Dosage Form	Clinical			
					Pre-clinical	Phase I	Phase II	Phase III
MWX205	PCSK9/ Angpt13	Dual-target siRNA	Dyslipidemia	Injection	√	√ (Australia)		
MWX401	AGT	siRNA	Essential hypertension	Injection	√	√		

Diabetes and other metabolic diseases represent a heavy health burden worldwide. Characterized by high prevalence and life-threatening symptoms, metabolic diseases are chronic conditions that impose a continuous financial burden. The ongoing challenges in their treatment and prevention have resulted in unmet clinical needs, creating significant market opportunities for innovative therapies and solutions. According to data from Frost & Sullivan, the global and Chinese market sizes for metabolic disease drugs reached USD145.4 billion and USD16.4 billion in 2024, respectively. These markets are expected to grow to USD191.6 billion and USD24.5 billion by 2028, representing compound annual growth rates (CAGR) of 7.1% and 10.6% from 2024 to 2028, respectively.

(1) Diabetes, Overweight, and Obesity

According to Frost & Sullivan data, the global and Chinese diabetes drug market sizes reached USD99.3 billion and RMB71.2 billion in 2024, respectively. These markets are expected to grow to USD123.2 billion and RMB97.9 billion by 2028, representing compound annual growth rates (CAGR) of 5.6% and 8.3% from 2024 to 2028, respectively. Comparatively, GLP-1-based therapies can prevent and mitigate life-threatening complications of diabetes. By simultaneously improving glycemic control, weight management, and multiple metabolic abnormalities, they are leading a new paradigm in metabolic disease treatment. This shifts the focus from simple blood sugar control to a multi-dimensional, comprehensive intervention known as "one drug, multiple efficacies." China's GLP-1 drug market is still in its infancy with a currently low penetration rate, representing strong growth potential. Frost & Sullivan data shows that GLP-1 diabetes drugs accounted for 41.1% of the global diabetes drug market in 2024, whereas they only accounted for 14.2% in China. According to their projections, China's GLP-1 diabetes drug market will increase from RMB10.1 billion in 2024 to RMB43.7 billion in 2028, and further expand to RMB84.8 billion by 2034.

The rising number of obese and overweight individuals can lead to a series of chronic diseases and cause various social issues. Data from Frost & Sullivan indicates that the global market for obesity and overweight drugs stood at USD16.9 billion in 2024, and is projected to grow to USD36.9 billion by 2028 and USD57.7 billion by 2034. China's obesity and overweight drug market was RMB4.2 billion in 2024, with a projected CAGR of 31% from 2024 to 2028, and a CAGR of 37% from 2028 to 2034. Analysis from Frost & Sullivan reveals that due to their exceptional efficacy and favorable safety profiles, GLP-1 receptor agonists have become the primary drugs for treating overweight and obesity in the global market. In 2024, GLP-1 obesity and overweight drugs accounted for 86.6% of the total global market for

obesity and overweight medications, and this market share is expected to reach 91.5% by 2028. China's first GLP-1 drug for the treatment of obesity and overweight was approved in 2023. In 2024, approved GLP-1 receptor agonists and other types of drugs accounted for 9.1% and 90.9% of China's total overweight and obesity market, respectively. With increased clinical adoption and the market entry of more GLP-1 receptor agonists, their market share is poised for rapid growth in the future.

Despite the massive success achieved by GLP-1 therapies, monotherapy for weight loss is accompanied by a 20% to 40% loss of muscle mass. Furthermore, issues such as weight-loss plateaus and weight rebound after drug discontinuation remain unresolved. The industry is seeking breakthroughs through two major technological avenues: 1) Multi-target synergy. GLP-1/GIP/GCG triple receptor agonists activate three incretin-related receptors. Building upon GLP-1's appetite suppression and GIP's improved blood sugar regulation, they overlay the GCGR pathway's direct stimulation of energy expenditure and fat metabolism, achieving a generational leap in efficacy. 2) Combination therapies that reduce fat while preserving muscle. Monoclonal antibody drugs, such as those targeting ActRII a/b, can simultaneously promote muscle growth and accelerate lipolysis by blocking the ActRII a/b signaling pathway. On the other hand, siRNA drugs, such as those targeting INHBE, are backed by human genetic validation; by precisely silencing the INHBE gene, they reduce visceral fat accumulation from the source while preserving muscle mass.

The Target Company has developed a pipeline of multiple innovative products in the fields of diabetes, overweight, and obesity, including MWN101, MWN109, MWN110, and MWN117. Details of some of these products are as follows:

MWN109

MWN109 injection and oral tablets are self-developed GLP-1/GIP/GCG receptor triple agonists of the Target Company, with full global intellectual property rights. The indications are type 2 diabetes, obesity, and obstructive sleep apnea (OSA). Preliminary clinical data from Phase I trials in China and Australia for the oral formulation of MWN109 have confirmed that its weight-loss efficacy achieves best-in-class (BIC) potential. Specifically, in the Chinese Phase I trial, daily administration of MWN109 oral tablets for 4 consecutive weeks resulted in a mean weight reduction ranging from 4.18% to 7.82%, demonstrating a clear dose-response relationship. This data outperforms currently published data for the same period from other oral GLP-1 weight-loss drugs currently under development or already on the market. For the injection formulation of MWN109, in a Chinese Phase Ib trial with 14 weeks of continuous administration, the treatment group achieved a maximum mean weight reduction from baseline of up to 16.67%. This data also surpasses currently published data for the same period from comparable GLP-1 weight-loss drugs under development or marketed.

MWN110

MWN110 injection is a self-developed monoclonal antibody targeting ActRIIA/B by the Target Company, with full global intellectual property rights. The indication is adult weight management. Non-clinical study results show that in pharmacokinetic and pharmacodynamic (PK/PD) studies on spontaneously obese rhesus monkeys, MWN110 monotherapy significantly reduced the animals' body fat percentage and body weight while increasing muscle mass. When MWN110 was combined with semaglutide, it significantly suppressed the muscle loss typically caused by semaglutide monotherapy. Compared to the positive control Bimagrumab, MWN110 achieved equivalent efficacy at only 1/3 of the dose. Furthermore, after multiple administrations, the half-life of MWN110 was more than three times longer than that of the positive control, allowing for subcutaneous administration in planned clinical trials. Meanwhile, safety evaluation trials have demonstrated that MWN110 possesses a favorable safety profile. MWN110 is expected to bring clinical benefits that differentiate it from traditional GLP-1 drugs, including body fat reduction, muscle maintenance, and minimized weight rebound. Based on current inquiries, no comparable drugs have been approved for marketing either domestically or internationally.

MWN117

MWN117 injection is a self-developed siRNA drug targeting the inhibition of INHBE by the Target Company, with full global intellectual property rights. The indications are overweight or obesity. Non-clinical study results indicate that in pharmacodynamic studies on spontaneously obese rhesus monkeys, MWN117 monotherapy significantly reduced the animals' body fat percentage and visceral fat while increasing muscle mass. When combined with a GLP-1 receptor agonist, MWN117 worked synergistically to reduce animal body weight, body fat, and visceral fat, with the weight reduction significantly exceeding that of the GLP-1 receptor agonist alone. It also significantly suppressed the muscle loss induced by GLP-1 receptor agonist monotherapy. A single injection of MWN117 demonstrated an efficacy duration lasting up to 12 weeks. Concurrently, safety evaluation trials showed that MWN117 has a favorable safety profile. MWN117 is expected to deliver differentiated clinical benefits compared to traditional GLP-1 receptor agonists, such as reduction of body fat and preservation of muscle, while offering a lower dosing frequency. Based on current inquiries, no comparable drugs have been approved for marketing either domestically or internationally.

(2) MASH

The global market for MASH-related drugs is poised to sustain rapid development. Data from Frost & Sullivan indicates that the global MASH drug market stood at USD3.4 billion in 2024 and is projected to expand to USD16.4 billion by 2028 and USD53.6 billion by 2034. In China, the MASH drug market size was RMB1.3 billion in 2024, which is expected to reach RMB6.5 billion by 2028 and scale up to RMB35.8 billion by 2034. Currently, there are no approved therapies for MASH in China, leaving a massive unmet medical need. Existing treatment options, such as hepatoprotective medications, only alleviate symptoms without

addressing the root cause of the disease. The approval of innovative GLP-1 receptor agonist drug candidates is expected to close this therapeutic gap. The Target Company has strategically positioned its MWN105 product within the MASH sector, details of which are as follows:

MWN105

MWN105 injection is a self-developed GLP-1/GIP/FGF21 receptor triple agonist of the Target Company, with full global intellectual property rights. The indication is MASH.

In October 2025, the Target Company out-licensed the MWN105 injection, a Glucagon-Like Peptide-1/Glucose-Dependent Insulinotropic Polypeptide/Fibroblast Growth Factor 21 receptor tri-agonist with proprietary intellectual property rights, to Sidera Bio ApS ("**Sidera**") in Denmark. Sidera obtained exclusive rights to develop and commercialize the product globally, excluding the Greater China region (Mainland China, Hong Kong, Macau Special Administrative Region, and Taiwan region). As part of the out-licensing consideration, Sidera will make an allotment of shares to the Target Company which represents a 9.99% equity stake in Sidera (on an issued and fully diluted basis). Based on clinical development milestones and commercial sales volumes, Sidera will pay the Target Company cumulative milestone payments of up to US$1.01 billion. Furthermore, the Target Company is entitled to receive tiered royalties from Sidera based on actual annual net sales.

(3) Dyslipidemia

Cardiovascular disease (CVD), primarily atherosclerotic cardiovascular disease (ASCVD), is the leading cause of death among both urban and rural residents in China, accounting for over 40% of all deaths. Substantial evidence from epidemiological, genetic, and clinical intervention studies has fully confirmed that dyslipidemia is the third largest risk factor for ASCVD, with low-density lipoprotein cholesterol (LDL-C) acting as a pathogenic risk factor for ASCVD. In 2024, the global prevalence of dyslipidemia among adults was approximately 40%, affecting 3.222 billion people, and this number is projected to increase to 3.673 billion by 2034. According to Frost & Sullivan data, the global market size for lipid-lowering drugs grew from USD18.9 billion in 2019 to USD24.0 billion in 2024, representing a CAGR of 4.9%. It is projected to reach USD35.3 billion by 2029 and USD41.6 billion by 2034, with a CAGR of 8.0% from 2024 to 2029 and a CAGR of 3.4% from 2029 to 2034.

PCSK9 has been widely validated as an effective target for lowering LDL-C while reducing the risk of ASCVD. Inclisiran, the world's first approved PCSK9 siRNA lipid-lowering drug, has become the first small nucleic acid drug in the chronic disease field to achieve "blockbuster" status, validating the commercial potential of long-acting siRNA technology in chronic disease management scenarios. ANGPTL3 siRNA offers a broad-spectrum lipid-lowering effect. Compared to PCSK9 inhibitors, which only lower LDL-C, and APOC3 siRNA, which only lowers triglycerides (TG), ANGPTL3 siRNA can simultaneously

reduce both TG and LDL-C levels, demonstrating potential for treating mixed hyperlipidemia. In the cardiovascular field, single-target RNAi lipid-lowering drugs have relatively narrow mechanisms of action; multi-target siRNA represents a promising solution for regulating complex multi-genic disorders.

The Target Company has strategically positioned its MWX203 and MWX205 products within the dyslipidemia sector, details of the MWX205 product are as follows:

MWX205

The small interfering RNA (siRNA) drug MWX205 injection simultaneously inhibits two key targets: PCSK9 and ANGPTL3. This dual-targeting strategy is expected to achieve comprehensive control across multiple lipid metrics in a single administration, significantly enhancing clinical benefits for patients. Non-clinical study results demonstrate that in rhesus monkeys with spontaneous dyslipidemia, MWX205 simultaneously and significantly reduced the protein levels of both PCSK9 and ANGPTL3, achieving maximum inhibition rates of 82.21% and 94.41%, respectively, with the inhibitory effects sustained until the study endpoint at 12 weeks. It also demonstrated significant lowering effects on the animals' LDL-C, TG, and total cholesterol (TC), with maximum reduction rates of 74.28%, 82.30%, and 52.13%, respectively. In the same animal model, the positive control Inclisiran showed maximum reduction rates of 60.94%, 4.06%, and 33.39%, respectively. Furthermore, results from multiple safety evaluation trials indicate that MWX205 possesses a favorable safety profile. MWX205 injection is currently the world's first dual-targeting PCSK9 and ANGPTL3 siRNA drug to enter the clinical stage.

(4) Essential Hypertension

According to Frost & Sullivan data, the global number of patients with hypertension increased from 1.54 billion in 2020 to 1.59 billion in 2024, and is projected to further increase to 1.66 billion by 2029 and reach 1.73 billion by 2034. In China, the number of hypertension patients grew from 330 million in 2020 to 350 million in 2024, and is expected to reach 380 million by 2029 and 420 million by 2034, representing a growth rate that outpaces the global market during the same period. In 2024, China's hypertension awareness and treatment rates (52%; 46%) were significantly lower than those of the United States (83%; 73%). The hypertension control rate remains extremely low, particularly in China at 17%, compared to 49% in the United States. Uncontrolled and refractory hypertension affects approximately 34.8% of the hypertensive population in China, imposing a heavy disease burden.

Traditional hypertension medications include diuretics, sympathetic modifiers, and calcium channel blockers. The discovery of the RAAS (renin-angiotensin-aldosterone system) marked a breakthrough in hypertension management, shifting the focus from simply lowering blood sugar to regulating the biological mechanisms of underlying diseases and protecting organs. Traditional RAAS inhibitors primarily block the RAAS activation cascade by interfering with different reaction steps. In contrast, the development strategy for novel RAAS

inhibitors focuses on precision therapy, improved compliance, and full-lifecycle management. AGT siRNA represents the next frontier. Angiotensinogen (AGT), produced by the liver, sits at the top of the RAAS cascade. Because AGT is generated in large quantities and maintains high circulating levels, traditional AGT inhibitors struggle to achieve stable and controllable reductions in AGT levels, and broad upstream inhibition lacks precision. Liver-targeted siRNA therapies can achieve sustained, scalable, and regulated AGT reduction directly in the liver, providing more stable RAAS inhibition and mitigating compliance issues. The Target Company has strategically positioned its MWX401 product within the essential hypertension sector, details of which are as follows:

MWX401

MWX401 injection is a self-developed small interfering RNA (siRNA) drug of the Target Company, with full global intellectual property rights. The indication is the treatment of essential hypertension. Non-clinical study results demonstrate that MWX401 can significantly reduce serum target protein levels, mRNA levels, systolic blood pressure, and diastolic blood pressure in humanized mice with induced hypertension. In spontaneously hypertensive rhesus monkeys, a single subcutaneous administration of MWX401 injection at different doses markedly decreased the animals' AGT levels, while significantly reducing both systolic and diastolic blood pressure. This effect demonstrated a clear dose-response relationship and outperformed the positive control, valsartan. The reduction in blood pressure was sustained until the study endpoint, with the drug's efficacy lasting for at least 12 weeks in animals. Concurrently, safety evaluation trials indicated that MWX401 possesses a favorable safety profile.

FINANCIAL REVIEW

(a) Financial performance

Revenue

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the revenue of the Target Group was approximately RMB0.53 million, RMB0.05 million, RMB226.90 million, nil and nil, respectively. The Target Company has not yet commercialized its products, and save for the upfront payment from an exclusive license agreement as further particularized below, its revenue is primarily derived from sporadic technical services, resulting in a small scale of revenue. In 2023, the Target Group recognized a total of RMB0.53 million in revenue from recombinant protein expression and purification services, as well as process development services. In 2024, it only recognized sporadic revenue of RMB0.05 million from QC testing services, representing a decrease of approximately 90.57% compared to 2023. In 2025, in addition to sporadic purification service revenue of RMB0.14 million, the Target Company signed an exclusive license agreement for MWN105 Injection with Sidera, recognizing a total revenue of USD32.00 million (equivalent to approximately RMB226.75 million) from the one-time upfront payment and the complete delivery of initial technology and IND materials. Primarily due to the low base effect from the

same period of the previous year, revenue increased significantly by approximately 453,700% compared to 2024. As the aforementioned license agreement was signed in October 2025, and the sporadic purification service revenue was also generated in the second half of 2025, no relevant revenue was generated in the first half of 2025. For the six months ended June 30, 2026, no revenue was recognized as the milestone stages stipulated in the contract had not yet been reached. Consequently, the revenue of the Target Group was nil for both the six months ended June 30, 2025, and the six months ended June 30, 2026.

Operating costs

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the cost of sales of the Target Group was approximately RMB0.20 million, RMB0.04 million, RMB0.06 million, nil and nil, respectively. The operating costs of the Target Group primarily consist of staff remuneration directly related to the provision of technical services. In 2023 and 2024, the Target Group's revenue was mainly derived from recombinant protein expression and purification services, process development services, and QC testing services. Accordingly, the corresponding operating costs fluctuated in line with the scale of service revenue. From 2023 to 2024, operating costs decreased by approximately 81.18% due to the decline in revenue. In 2025, the Target Group's revenue was primarily generated from the exclusive license income of MWN105 Injection, which carried no corresponding operating costs; only the sporadic purification service revenue incurred direct staff remuneration costs. Consequently, from 2024 to 2025, operating costs rose by approximately 54.65% along with the increase in purification service revenue. As no revenue was generated in either the first half of 2025 or the first half of 2026, the operating costs were nil for both the six months ended June 30, 2025, and the six months ended June 30, 2026.

Gross profit

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the gross profit of the Target Group was approximately RMB0.33 million, RMB0.01 million, RMB226.84 million, nil and nil, respectively. As revenue decreased significantly by approximately 90.57% while the decline in operating costs was relatively smaller (approximately 81.18%) due to a certain degree of rigidity in staff remuneration costs, gross profit consequently decreased by approximately 96.01% from 2023 to 2024. From 2024 to 2025, the Target Group recognized exclusive license income from MWN105 Injection, which carried no corresponding operating costs, with only sporadic purification services incurring a small amount of staff remuneration costs. Driven by the low base effect from the same period of the previous year, gross profit surged significantly by approximately 1,719,083.97% from 2024 to 2025. As no operating revenue was generated and no corresponding operating costs were incurred in either the first half of 2025 or the first half of 2026, the gross profit was nil for both the six months ended June 30, 2025, and the six months ended June 30, 2026.

R&D expenses

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the R&D expenses of the Target Group were approximately RMB51.87 million, RMB142.00 million, RMB217.67 million, RMB91.56 million and RMB216.31 million, respectively. R&D expenses primarily consist of (1) employee benefit expense; (2) materials, utilities, manufacturing, and inspection fees; (3) design and clinical trial expenses; (4) outsourced R&D expenses; (5) depreciation and amortization; and (6) others. From 2023 to 2024, as R&D projects progressed, the number of pipelines entering Phase I clinical trials increased. This drove up design and clinical trial expenses by RMB52.70 million, and materials, utilities, manufacturing, and inspection fees by RMB31.67 million, resulting in a significant increase of approximately 173.76% in R&D expenses from 2023 to 2024. From 2024 to 2025, the number of pipelines entering Phase I clinical trials continued to grow, and certain Phase I clinical projects progressed to Phase II clinical stage. This led to an increase of RMB63.97 million in design and clinical trial expenses, and RMB16.97 million in materials, utilities, manufacturing, and inspection fees, causing R&D expenses to increase by approximately 53.29% from 2024 to 2025. Furthermore, as multiple early-stage clinical projects successively advanced to Phase II and Phase III clinical stages, design and clinical trial expenses increased by RMB48.12 million, and materials, utilities, manufacturing, and inspection fees increased by RMB75.09 million, which resulted in a substantial increase of approximately 136.24% in R&D expenses for the six months ended June 30, 2026, compared to the six months ended June 30, 2025.

Administrative expenses

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the administrative expenses of the Target Group were approximately RMB2.22 million, RMB9.11 million, RMB13.95 million, RMB4.14 million and RMB9.56 million, respectively. Administrative expenses primarily consist of (1) employee benefit expense; (2) consulting service fees; (3) depreciation charges; and (4) amortization of long-term deferred expenses; (5) office expenses, among others. Due to the expansion of the Target Group's scale, the enlargement of the back-office management team led to a significant increase in employee benefit expense. Concurrently, office expenses, depreciation of fixed assets, and amortization of long-term deferred expenses increased accordingly, resulting in a significant increase of approximately 310.36% in administrative expenses from 2023 to 2024. Driven by the continuous growth in consulting service fees and employee benefit expense, where the increase in consulting service fees stemmed from overseas business development fees paid for the MWN105 project upon receiving the client's payments corresponding to the license income, and the growth in employee benefit expense was primarily attributable to headcount expansion and the accrual of milestone bonuses related to the license income, administrative expenses increased by approximately 53.13% from 2024 to 2025. Furthermore, due to a sharp year-on-year increase in both employee benefit expense and consulting service fees, with the consulting service fees arising from the payment of overseas business development fees for the MWN105 project following the receipt of payments in the first half of 2026 (whereas the fees for the corresponding prior period were recognized in the second half of 2025), and the growth in employee benefit expense resulting from headcount expansion, both factors jointly led to a significant increase of approximately 130.92% in administrative expenses for the six months ended June 30, 2026, compared to the six months ended June 30, 2025.

Income tax expenses

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the income tax expenses of the Target Group were approximately nil, RMB(43.66) million, RMB(32.86) million, RMB(27.83) million and RMB(66.67) million, respectively. As the Target Group met the criteria for the recognition of deferred tax assets, it recognized deferred tax assets in respect of cumulative tax losses carried forward, resulting in a corresponding deferred tax credit. The Target Group began to incur income tax expenses from 2023 to 2024. Due to a slowdown in the addition of new tax losses carried forward during the period, the deferred tax credit recognized based on tax losses carried forward decreased accordingly, leading to a decrease of approximately 24.74% in income tax expenses from 2024 to 2025. Conversely, due to a year-on-year expansion in the scale of new tax losses carried forward, more deferred tax assets were recognized after meeting the recognition criteria, which significantly increased the deferred tax credit. Consequently, income tax expenses substantially increased by approximately 139.58% for the six months ended June 30, 2026, compared to the six months ended June 30, 2025.

Net profit

For the three years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and June 30, 2026, the net profit/(loss) of the Target Group was approximately RMB(50.99) million, RMB(107.62) million, RMB28.98 million, RMB(67.47) million and RMB(162.35) million, respectively. As the Target Group is in the R&D stage for innovative drugs, administrative expenses and R&D investment increased significantly while the revenue scale during the period was limited, resulting in a substantial increase of approximately 111.06% in net loss from 2023 to 2024. From 2024 to 2025, the Target Group turned to profit from a loss-making position, primarily driven by a significant profit contribution from the recognition of substantial license income during the period, coupled with the recognition of deferred tax credit based on tax losses carried forward, which substantially improved the net profit for the period. Conversely, due to the absence of substantial license income recognized during the period, alongside a sharp year-on-year increase in R&D expenses, the loss for the period expanded significantly, leading to a substantial increase of approximately 140.61% in net loss for the six months ended June 30, 2026, compared to the six months ended June 30, 2025.

(b) Segment information

The Target Group only operates in one single segment which is the development of innovative drugs. In this regard, no segmental information is presented.

(c) Capital structure, liquidity and financial resources

As at December 31, 2023, 2024 and 2025 and as at June 30, 2026, the Target Group had net assets of approximately RMB(15.02) million, RMB70.36 million, RMB427.18 million and RMB264.84 million, respectively. The Target Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Target Group's operations were primarily funded through the cash flow obtained from its prior rounds of financing.

As at December 31, 2023, 2024 and 2025 and as at June 30, 2026, the Target Group had cash and cash equivalents of approximately RMB13.91 million, RMB2.94 million, RMB370.90 million and RMB164.28 million, respectively, which were denominated in RMB and USD. As at December 31, 2023, 2024 and 2025, and as at June 30, 2026, the Target Group had short term borrowing of nil, nil, nil and RMB20 million, respectively. The short term borrowing is denominated in RMB, bears interest at a fixed rate of 2.85% per annum and mature on September 11, 2026, is an unsecured credit loan with no collateral, pledge or security provided, and have been fully repaid on the abovementioned maturity date.

(d) Gearing ratio

The gearing ratio of the Target Group, which was calculated based on the total debt divided by total assets of the Target Group, was approximately 134.23%, 16.3%, 13.17% and 35.64% as at December 31, 2023, 2024, 2025, and June 30, 2026, respectively.

(e) Contingent liabilities

The Target Group did not have any contingent liabilities during the year ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026, respectively.

(f) Foreign exchange exposure

Most of the Target Group's transactions are denominated in RMB. The Target Group's cash and cash equivalents, trade receivables, contract liabilities, and other payables are denominated in foreign currencies, being USD. The Target Group is exposed to foreign exchange risk arising from fluctuations in foreign exchange rates. To manage such risk, the Target Group hedges part of its foreign currency exposure through foreign exchange swap contracts. Changes in the fair value of foreign exchange swap contracts are recognized in profit or loss for the current period. The Target Group does not have a formal foreign currency hedging policy, but it will continue to closely monitor its currency risk exposure and take proactive measures when necessary.

(g) Significant investments, material acquisitions and disposals

The Target Group did not have any significant investments or material acquisitions or disposals of subsidiaries and associated companies during the year ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026, respectively.

(h) Charge of assets

The Target Group did not have any charge of assets during the year ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026, respectively.

(i) Employees and remuneration policy

As at December 31, 2023, 2024 and 2025, and June 30, 2026, the Target Group had 27, 46, 63 and 72 employees, respectively, and the total remuneration including the contribution to mandatory retirement benefits schemes, wages and salaries and other employee benefits amounted to approximately RMB8.48 million, RMB14.83 million, RMB25.80 million and RMB13.81 million during the year ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026, respectively.

The Target Group regularly reviews its remuneration policy and related packages. While the Target Group has set up an employee shareholding platform but has not adopted or implemented any share incentive scheme yet, bonuses will be awarded to employees according to the assessment of their performance on a case-by-case basis. The remuneration policy of the employees of the Target Group is determined based on their responsibilities, abilities, skills, experience and performance as well as market salary levels. The Target Group also provides training to the employees to enhance their skills and knowledge periodically.

(j) Future Plans for Material Investment or Capital Assets

As at the Latest Practicable Date, the Target Group had no plans to commence new businesses or to carry out any material investments or capital asset acquisitions.

ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is the full text of the independent reporting accountant's assurance report issued by BDO China Shu Lun Pan Certified Public Accountants LLP, the reporting accountant of the Company, in respect of the preparation of the unaudited pro forma financial information of the Group for inclusion in the Circular.



Independent Reporting Accountant's Assurance Report on the Compilation of Unaudited Pro Forma Financial Information

To the directors of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.

We have performed an assurance engagement on the unaudited pro forma consolidated balance sheet as at June 30, 2026 and the accompanying notes (hereinafter collectively referred to as the "Unaudited Pro Forma Financial Information") prepared by the Board of Directors of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd. (hereinafter the "Company"), which give effect to the transaction between LEPU ScienTech Medical Technology (Shanghai) Co., Ltd. and its subsidiaries (hereinafter collectively the "Group") and Shanghai Minwei Biotechnology Co., Ltd. and its subsidiaries (hereinafter collectively the "Target Group").

I. Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing the Unaudited Pro Forma Financial Information in compliance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), on the basis set out in Note 1 to the Unaudited Pro Forma Financial Information (the "Basis of Preparation"), and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Unaudited Pro Forma Financial Information is set out on pages IV-5 to IV-9 of the circular dated November 12, 2026 (the "Circular") published by the Company in connection with the proposed acquisition of a 54.2384% equity interest in the Target Group.

II. Responsibilities of the Reporting Accountant

We have complied with *Independence Standard No. 1 for Chinese Certified Public Accountants – Independence Requirements for Financial Statement Audit and Review Engagements* and the independence and other professional ethics requirements set out in the *Code of Professional Ethics for Chinese Certified Public Accountants*, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm maintains a comprehensive quality management system in accordance with *Quality Control Standard for Accounting Firms No. 5101 – Engagement Quality Control*.

Our responsibility is to express an assurance conclusion on the Unaudited Pro Forma Financial Information pursuant to Rule 4.29(7) of the Listing Rules. We do not accept any liability for any previous reports issued by us on the financial information used to compile the Unaudited Pro Forma Financial Information, other than the liability owed to the addressees of those reports as at their issue dates.

We conducted this engagement in accordance with *China Standard on Other Assurance Engagements No. 3101 – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires us to comply with professional ethics requirements, plan and perform assurance procedures to obtain reasonable assurance that the Unaudited Pro Forma Financial Information has been prepared in all material respects in accordance with Rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on the historical financial information used by the Board of Directors in compiling the Unaudited Pro Forma Financial Information. Nor have we performed any audit or review of such historical financial information during this engagement.

The Unaudited Pro Forma Financial Information is included in the Circular solely to illustrate the impact of a material event or transaction on the Group's unadjusted financial information, assuming that the event or transaction had occurred on an earlier date selected for illustrative purposes. Accordingly, we do not provide any assurance that the actual results of the Transaction as at the completion date will be consistent with those presented in the Unaudited Pro Forma Financial Information.

Our engagement includes evaluating whether the Unaudited Pro Forma Financial Information prepared by the Board of Directors on the Basis of Preparation reasonably reflects the direct material effects of the material transaction on the Group's unadjusted financial information, and obtaining sufficient appropriate evidence on the following matters:

- whether the relevant unaudited pro forma adjustments have been appropriately made in accordance with the Basis of Preparation; and

- whether the Unaudited Pro Forma Financial Information properly reflects the adjustments made to the Group's unadjusted financial information.

The procedures performed depend on the reporting accountant's professional judgment, taking into account our understanding of the nature of the Group, the transaction for which the Unaudited Pro Forma Financial Information is prepared, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence obtained provides a sufficient basis for our opinion.

III. Opinion

In our opinion:

1. The Unaudited Pro Forma Financial Information has been properly prepared by the Board of Directors on the Basis of Preparation;

2. The Basis of Preparation is consistent with the accounting policies disclosed by the Company;

3. The unaudited pro forma adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information disclosed pursuant to Rule 4.29(1) of the Listing Rules.

IV. Restriction on the Use of Report

This report is solely for the purpose of the circular dated November 12, 2026 published by LEPU ScienTech Medical Technology (Shanghai) Co., Ltd. in connection with the proposed acquisition of a 54.2384% equity interest in the Target Group, and shall not be used for any other purpose.

BDO China Shu Lun Pan Certified Public Accountants LLP

Certified Public Accountant of China: Wang Na

Certified Public Accountant of China: Wang Ping

Shanghai, China

November 12, 2026

LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.

Unaudited Pro Forma Financial Information

As at 30 June 2026

Set out below is the illustrative unaudited pro forma consolidated balance sheet (the "Unaudited Pro Forma Financial Information") of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and Shanghai Minwei Biotechnology Co., Ltd. and its subsidiaries (the "Target Group") (collectively, the "Enlarged Group"), which has been prepared on the basis set out in the notes below, to illustrate the effect of the acquisition of 54.2384% equity interest in the Target Group (the "Acquisition"), as if the Acquisition had taken place on June 30, 2026.

The Unaudited Pro Forma Financial Information has been prepared on the assumption that the Acquisition had been completed on June 30, 2026, after giving effect to the unaudited pro forma adjustments relating to the Acquisition (such adjustments are factually supportable and directly attributable to the Acquisition), based on the unaudited consolidated balance sheet of the Group as at June 30, 2026 (as set out in the published interim results announcement of the Group for the six months ended June 30, 2026, dated August 21, 2026), and the audited consolidated balance sheet of the Target Group as at June 30, 2026 (as set out in the accountant's report in Appendix II to the Circular of the Group dated November 12, 2026 (the "Circular")).

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the "Directors") using accounting policies generally consistent with those of the Group, on the basis of their judgements, estimates and assumptions, for illustrative purposes only. Due to its hypothetical nature, it may not give a true reflection of the actual financial position of the Enlarged Group had the Transaction actually taken place on the date indicated in this Circular. Furthermore, the Unaudited Pro Forma Financial Information is not intended to be a forecast of the future financial position of the Enlarged Group.

The Unaudited Pro Forma Financial Information should be read in conjunction with the published financial information of the Group set out in Appendix I to the Circular, the audited financial information of the Target Group set out in Appendix II to the Circular, and other financial information set out elsewhere in the Circular.

Unless otherwise specified, all amounts in this unaudited pro forma financial information are stated in RMB.

1. Unaudited Pro Forma Consolidated Balance Sheet of the Enlarged Group

Assets	The Group as at June 30, 2026 *(RMB'000)*	The Target Group as at June 30, 2026 *(RMB'000)*	Sub-total *(RMB'000)*	Pro Forma Adjustments *(RMB'000)*	*Note*	Pro Forma Enlarged Group *(RMB'000)* **(Unaudited)**
Current assets:						
Cash at bank and on hand	1,237,255	165,376	1,402,631			1,402,631
Financial assets held-for-trading	50,000		50,000			50,000
Derivative financial assets						
Notes receivable						
Accounts receivable	134,138		134,138			134,138
Receivable financing						
Prepayments	34,379	721	35,100			35,100
Insurance premium receivable						
Reinsurance premium receivable						
Reserves for reassurance contracts receivable						
Other receivables	9,877	584	10,461			10,461
Financial assets purchased under agreements to resell						
Inventories	96,118	3,711	99,830			99,830
Including: Data resources						
Contract assets						
Assets held for sale						
Non-current assets due within one year						
Other current assets	4,928	5,240	10,168			10,168
Total current assets	1,566,696	175,632	1,742,327			1,742,327

Assets	The Group as at June 30, 2026 *(RMB'000)*	The Target Group as at June 30, 2026 *(RMB'000)*	Sub-total *(RMB'000)*	Pro Forma Adjustments *(RMB'000)*	*Note*	Pro Forma Enlarged Group *(RMB'000)* **(Unaudited)**
Non-current assets:						
Loans and advances granted						
Debt investments						
Other debt investments						
Long-term receivables						
Long-term equity investments						
Investments in other equity instruments	6,000		6,000			6,000
Other non-current financial assets						
Investment properties	7,121		7,121			7,121
Fixed assets	107,958	11,672	119,630			119,630
Construction in progress	6,419		6,419			6,419
Productive biological assets						
Oil and gas assets						
Right-of-use assets	1,397	7,242	8,640			8,640
Intangible assets	214,852		214,852			214,852
Including: Data resources						
Research and development expenditures	199,148		199,148	186,216	*3*	385,364
Including: Data resources						
Goodwill	48,282		48,282	160,651	*3*	208,933
Long-term deferred expenses		3,132	3,132			3,132
Deferred income tax assets	12,803	143,190	155,992			155,992
Other non-current assets	73,658	70,635	144,294			144,294
Total non-current assets	677,638	235,871	913,509	346,867		1,260,377
Total assets	2,244,334	411,503	2,655,837	346,867		3,002,704

Liabilities and owners' equity	The Group as at June 30, 2026 *(RMB'000)*	The Target Group as at June 30, 2026 *(RMB'000)*	Sub-total *(RMB'000)*	Pro Forma Adjustments *(RMB'000)*	*Note*	Pro Forma Enlarged Group *(RMB'000)* **(Unaudited)**
Current liabilities:						
Short-term borrowings		20,000	20,000			20,000
Loans from central bank						
Placements from banks and other financial institutions						
Financial liabilities held-for-trading						
Derivative financial liabilities						
Notes payable						
Accounts payable	19,017	114,563	133,580	1,952	*4*	135,532
Advances from customers						
Contract liabilities	13,950		13,950			13,950
Securities sold under agreements to repurchase						
Deposits from customers and interbanks						
Receiving from vicariously traded securities						
Receiving from vicariously sold securities						
Employee benefits payable	4,219	2,111	6,330			6,330
Taxes payable	23,550	183	23,733			23,733
Other payables	177,551	1,559	179,109	653,033	*3*	832,142
Fee and commission payable						
Reinsured accounts payable						
Liabilities held for sale						
Non-current liabilities due within one year	811	2,263	3,074			3,074
Other current liabilities	461		461			461
Total current liabilities	239,559	140,679	380,238	654,984		1,035,222

Liabilities and owners' equity	The Group as at June 30, 2026 (RMB'000)	The Target Group as at June 30, 2026 (RMB'000)	Sub-total (RMB'000)	Pro Forma Adjustments (RMB'000)	Note	Pro Forma Enlarged Group (RMB'000) (Unaudited)
Non-current liabilities:						
Reserve fund for insurance contracts						
Long-term borrowings						
Bonds payable						
Including: Preference shares						
Perpetual bonds						
Lease liabilities	586	5,988	6,575			6,575
Long-term payable						
Long-term employee benefits payable						
Estimated liabilities						
Deferred income	527		527			527
Deferred income tax liabilities				27,932	*3*	27,932
Other non-current liabilities				435,355	*3*	435,355
Total non-current liabilities	1,113	5,988	7,101	463,288		470,389
Total liabilities	240,672	146,667	387,339	1,118,272		1,505,611
Total equity	2,003,661	264,836	2,268,498	(771,405)		1,497,093

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group:

1. The financial information of the Group is extracted from the unaudited consolidated balance sheet of the Group as at June 30, 2026 prepared in accordance with the provisions of the *China Accounting Standards for Business Enterprises* (as set out in the published interim results announcement of the Group for the six months ended June 30, 2026, dated August 21, 2026).

2. The financial information of the Target Group is extracted from the audited consolidated balance sheet of the Target Group as at June 30, 2026 prepared in accordance with the provisions of the *China Accounting Standards for Business Enterprises* (as set out in the accountant's report on the Target Group in Appendix II to the Circular).

3. Pursuant to the Share Transfer Agreement, the consideration for the transaction is RMB1,088,387,980, to be settled in cash and fully funded by the internal resources of the Group. In accordance with the relevant provisions of the *China Accounting Standards for Business Enterprises* regarding business combination under common control, the assets and liabilities acquired by the combining entity (including goodwill arising from the acquisition of the acquired entity by the ultimate controlling party) shall be measured at the carrying amounts of the acquired entity as recorded in the consolidated financial statements of the ultimate controlling party as at the date of combination. This transaction constitutes a business combination under common control; the assets and liabilities of the Target Group will be included in the consolidated balance sheet of the Enlarged Group at their original carrying amounts recorded in the consolidated financial statements of the ultimate controlling party, and no new goodwill will be formed. Of which, the development expenditure of the acquired entity in its separate financial statements is nil, while the development expenditure in the consolidated financial statements of the ultimate controlling party is RMB186,216,100.00, and a deferred income tax liability of RMB27,932,415.00 is recognised as a result of the taxable temporary difference arising therefrom; meanwhile, goodwill of RMB160,651,212.79, which was formed by the excess of the consideration paid by Lepu Medical over the share of the fair value of the Target Group's identifiable net assets acquired, consolidated from the original acquisition date, is included.

4. The unaudited pro forma adjustment represents the estimated acquisition-related cost of RMB1,951,646, covering audit, legal, valuation and other professional services in connection with the Acquisition.

5. No other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Group and the Target Group after June 30, 2026.

The following is the text of letter and valuation report prepared for the purpose of incorporation in this circular, received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with their valuation as at June 30, 2026 of the 54.2384% equity interest of the Target Company.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
Tel +852 2846 5000 Fax +852 2169 6001
Company Licence No.: C-030171

12 November 2026

The Board of Directors
Lepu ScienTech Medical Technology (Shanghai) Co., Ltd.
Room 201, Building 41
No. 258, Xinzhuan Road
Songjiang District
Shanghai, PRC

Dear Sirs,

In accordance with the instructions from Lepu ScienTech Medical Technology (Shanghai) Co., Ltd. (the "Company" or the "Client"), Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL" or "we") have undertaken a valuation exercise which requires us to express an independent opinion on the market value of 7,531,944 Series A Shares, 760,802 Series B Shares, and 469,669 Series B+ Shares, which collectively represent a 54.24% equity interest (the "Subject") in Shanghai Minwei Biotechnology Co., Ltd. (the "Target Company") as at 30 June 2026 (the "Valuation Date"). The report which follows is dated 12 November 2026 (the "Report Date"). The purpose of this valuation is for the Client's internal reference and inclusion in the Client's public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

BACKGROUND OF THE SUBJECT

The Target Company is a private company with limited liability incorporated in the People's Republic of China (the "PRC") in April 2021 and located in the Pudong New Area, Shanghai. It is a biotechnology company engaged in the research and development of multi-target biologic drugs for metabolic diseases and their complications and for cardiovascular diseases. The Target Company has one wholly-owned subsidiary, Dongguan Yunjing Biotechnology Co., Ltd., which is also engaged in pharmaceutical research and development. The Target Company and its subsidiary are together referred to as the "Target Group".

The Target Group's business consists of the development of a portfolio of drug candidates, of which the most advanced has entered Phase III clinical trials. It has therefore not generated any revenue from product sales, and its operations have been funded by successive rounds of equity financing.

Research and Development Pipeline

The Target Group's development programmes as at the Valuation Date, as advised by the management of the Target Company, are set out below:

Project	Target	Type	Indication	Dosage Form	Latest Development stage
MWN101	GLP-1/GIP/GCG	Fc fusion protein	Type 2 diabetes/ obesity	Injection	Phase II
MWN105	GLP-1/GIP/FGF21	Fc fusion protein	MASH	Injection	Phase II
MWX301	/	Fc fusion protein	Heart failure	Injection	Pre-clinical
MWN109	GLP-1/GIP/GCG	Fatty acid chain-modified peptide	Type 2 diabetes/ obesity/OSA	Injection Tablet	Phase III Phase II
MWN110	ActRII a/b	Monoclonal antibody	Adult weight management	Injection	Phase I
MWN117	INHBE	siRNA	Overweight/obesity	Injection	Phase I
MWX203	Angptl3	siRNA	Dyslipidemia	Injection	Phase II
MWX205	PCSK9/Angpt13	Dual-target siRNA	Dyslipidemia	Injection	Phase I
MWX401	AGT	siRNA	Essential hypertension	Injection	Phase I

Source: information provided by the Target Company.

Shareholding Structure

The shareholders of the Target Company and their respective interests as at the Valuation Date are set out below:

Shareholder	Registered capital *(RMB)*	Shareholding *(%)*	Financing round in which the interest was acquired
Lepu Medical Technology (Beijing) Co., Ltd.* ("Lepu Medical")	8,762,415	54.24	Series A, Series B and Series B+
Han Weiyue (who is the founder of the Target Company)	4,105,000	25.41	Founder
Qingdao Minxin Venture Capital Centre (Limited Partnership)	1,757,500	10.88	Angel round

Shareholder	Registered capital *(RMB)*	Shareholding *(%)*	Financing round in which the interest was acquired
Hankang SME Development Fund (Weifang) (Limited Partnership)	807,803	5.00	Series B and Series B+
Guangxi Tencent Venture Capital Co., Ltd. ("Tencent")	422,668	2.62	Series B+
Dongguan Yunhan Enterprise Management Centre (Limited Partnership) (which is an employee share-holding platform of the Target Company)	300,000	1.86	Employee holding platform
Total	16,155,386	100.0000	

Note: Percentages are calculated on subscribed registered capital. As at the Valuation Date, all registered capital had been paid up except for the RMB300,000 subscribed by the employee holding platform.

Financing History

The Target Company has completed four rounds of equity financing since its incorporation:

Round	Investor(s)	Closing	Amount *(RMB)*	Price per RMB1 of reg. capital *(RMB)*	Reg. capital after round *(RMB)*
Angel	Qingdao Minxin	June 2021	70,000,000	20.0000	8,500,000
Series A – transfer	Lepu Medical	May 2023	116,875,000	50.0000	8,500,000
Series A – capital increase	Lepu Medical	February 2024	259,722,222	50.0000	13,694,444
Series B	Hankang; Lepu Medical	April 2025	150,000,000	98.5801	15,216,048
Series B+	Tencent; Lepu Medical; Hankang	Aug-Sep 2025	111,120,000	118.2962	16,155,386

The most recent round, the Series B+ round, was subscribed by three investors under a capital increase agreement dated 25 August 2025. Tencent, an investor independent of the Target Company and of its existing shareholders, subscribed RMB422,668 of new registered capital for RMB50,000,000, which corresponds to RMB118.2962 per RMB1 of registered capital. That subscription was paid in full on 29 August 2025 (the "Financing Date"). The remaining RMB61,120,000 of this round was subscribed by Lepu Medical and Hankang, both

are the existing shareholders, at the same price, and was paid in full on 4 September 2025. We are informed by the Company and the Target Company that the round was negotiated on arm's length terms and that no side arrangement was entered into with any of the three investors.

The Company reviewed the relevant transaction documents, including the capital increase agreement, shareholders' agreement, corporate approvals and payment records, and discussed the transaction with the Target Company. Based on the information obtained, the Company noted that Tencent, an independent third-party investor, subscribed for new registered capital on the same terms as the other investors, and no side arrangement, preferential treatment or special economic benefit was identified. Accordingly, the Company considers that the Series B+ financing round was conducted on an arm's-length basis and reflects the price an independent investor was willing to pay for an interest in the Target Company at the time.

Tencent participated in the Series B+ financing round as a new investor and did not hold any equity interest in the Target Company prior to the financing. As confirmed by the management of the Target Company, Tencent had no relationship of interest or side arrangement with the Target Company or the other investors and subscribed on the same terms and at the same price as the other investors in the round. Having considered these factors, together with Tencent's background and experience as an established institutional investor, we considered the subscription price paid by Tencent to constitute relevant and reliable market evidence of the price negotiated by an independent and knowledgeable market participant as at the Financing Date. As confirmed by the management of the Target Company, Tencent independently evaluated the investment opportunity and determined whether to participate in the financing round based on its own commercial considerations. Tencent was not subject to any obligation, arrangement or understanding with the Target Company or the other investors regarding its investment decision. In addition, under the capital increase agreement dated 25 August 2025, the completion of the subscription by each investor in the Series B+ round was independent of, and not affected by, the completion of the subscriptions by the other investors.

FINANCIAL PERFORMANCE OF THE TARGET GROUP

Key financial information of the Target Group is set out below (RMB'000):

	Year ended 31 December 2023	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Six months ended 30 June 2026**
	(Audited)	*(Audited)*	*(Audited)*	*(Audited)*
Revenue	526	50	226,896	–
Research and development expenses	51,866	142,002	217,671	216,313
Net profit/(loss)	(50,987)	(107,624)	28,980	(162,346)
Cash at bank and on hand	13,907	2,942	371,175	165,376
Total equity	(15,016)	70,360	427,183	264,836

The revenue of RMB226.9 million recognised in the year ended 31 December 2025 was the upfront payment of USD32 million received under an agreement licensing the overseas rights to the MWN105 programme.

SOURCES OF INFORMATION

In conducting our valuation of the Subject, we have reviewed information from several sources, including, but not limited to:

- Background of the Target Group and relevant corporate information, including its articles of association and its register of members;
- The capital increase agreements, share transfer agreements and shareholders agreements in respect of each of the Angel, Series A, Series B and Series B+ rounds, and the bank receipts evidencing payment of each subscription;
- The amended and restated shareholders agreement and the articles of association in force as at the Valuation Date;
- Audited financial statements of the Target Group for each of the three years ended 31 December 2025 and for the six months ended 30 June 2026;
- Information provided by the management of the Target Company on its development programmes, its funding requirements and its expected exit date;
- Market information derived from public domains in relation to the Subject's business and our valuation.

We have held discussions with management of the Company and of the Target Company, and conducted market research from public sources to assess the reasonableness and fairness of the above information provided by the management. We assumed such information is reliable and legitimate; and we have relied to a considerable extent on the information provided by the Company in arriving at our opinion of value.

In particular, we have relied on the following written confirmations on our valuation assumptions, each of which is material to our conclusion:

- that there has been no material change in the Target Group's development programs between the Financing Date and the Valuation Date that was not contemplated or reflected in the Series B+ Financing Round; and
- that the proposed transaction of the Subject between the Client and Lepu Medical ("Proposed Transaction") does not constitute a deemed liquidation event under the shareholders agreement.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards (the "IVS") issued by International Valuation Standards Council. The valuation procedures employed include a review of legal status and economic condition of the Subject and an assessment of the key assumptions, estimates, and representations made by the proprietor or the operator of the Subject. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and history of the operation concerned;
- The financial condition of the Target Company;
- Market information of companies engaged in similar lines of business;
- Financial and business risk of the business including continuity of income;
- Consideration and analysis on the micro and macro economy affecting the Target Company's business; and
- Assessment of the liquidity of the Target Company's business.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the Subject.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparables. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for fewer subjective assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the asset than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar asset with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Selection of Valuation Approach and Methodology

To select the most appropriate approach, we have considered the purpose of the valuation engagement, the basis of value as well as the availability and reliability of information provided to us to perform an analysis. We have also considered the relative advantages and disadvantages of each approach to the nature and circumstances of the Subject.

In our opinion, the income approach was deemed inappropriate due to the high sensitivity of results to assumptions and the lack of a sufficient historical financial track record for the Target Group to support objective long-term financial projections as of the Valuation Date. The cost approach was also unsuitable because it does not capture the economic earnings potential of the Target Group's business.

The market approach derives value from observable market evidence and reflects the pricing that market participants are willing to pay for the subject interest or comparable interests. Where a recent arm's-length transaction involving the equity of the subject company is available, such a transaction generally provides the most direct and relevant evidence of value, as it reflects the actual price negotiated between independent and knowledgeable parties having regard to the company's specific development stage, business prospects, risks and the rights attaching to the interest acquired.

There are two commonly applied methods under the market approach: the guideline public company method, which applies trading multiples derived from comparable publicly listed companies to a relevant financial metric of the subject company, and the guideline transaction method, which derives value from actual transactions involving the subject company or comparable assets.

In this valuation, we considered the guideline transaction method to provide the most relevant and reliable indication of value. In particular, we placed primary reliance on the Series B+ financing round, being the most recent arm's-length transaction involving the equity of the Target Company itself and having been completed approximately ten months prior to the Valuation Date. The transaction provides direct market evidence of the price that an independent investor was willing to pay for an interest in the Target Company, taking into account its then-current stage of development, commercial prospects, associated risks and the specific economic rights and preferences attaching to the Series B+ interest.

Consistent with IVS, a recent transaction in the subject company's own equity between independent and knowledgeable parties is generally regarded as strong evidence of value, particularly where the transaction was conducted at arm's length, occurred sufficiently close to the Valuation Date and reflected prevailing market conditions and the commercial expectations of market participants. Accordingly, the Series B+ financing round was not adopted merely in the absence of other applicable methods, but was considered the most direct and company-specific market evidence available for the valuation of the Target Company.

The guideline public company method was also considered. However, given that the Target Group remained at the research and development stage as at the Valuation Date and had not yet established sustainable financial performance, the availability of meaningful financial metrics and widely accepted trading multiples was limited. Any value indication derived using this method would therefore be subject to a greater degree of uncertainty and would be less directly reflective of the Target Company's specific circumstances than the recent Series B+ financing round. Accordingly, we considered the guideline transaction method, with primary reference to the Series B+ financing round, to provide a more relevant and reliable indication of value.

Two features of the Series B+ round preclude the price paid in that round from being applied directly to the total registered capital of the Target Company in order to arrive at the value of the Subject:

- the interest subscribed in the Series B+ round ranks ahead of the other classes of equity interest on a liquidation and is therefore not economically identical to the Subject; and

- the round was completed approximately ten months prior to the Valuation Date, over which period market conditions have changed.

Our valuation has therefore been carried out in three steps, which are set out in detail under "Valuation of the Subject" below:

1. an equity allocation model is applied in order to derive, from the price paid by Tencent, the total equity value of the Target Company as at the Financing Date;

2. that total equity value is adjusted for the movement in the market between the Financing Date and the Valuation Date; and

3. the same equity allocation model, using the inputs applicable as at the Valuation Date, is applied in order to allocate the adjusted total equity value among the respective classes of equity interest, and so to arrive at the value of the Subject.

MAJOR ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following assumptions in determining the market value of the Subject have been made:

- The Series B+ round was entered into on an arm's length basis, under prevailing market conditions and between knowledgeable and independent parties, as confirmed by the management of the Company and of the Target Company.

- There have been no material changes in the Target Group's development programmes, business plan, strategic direction or capital structure between the Financing Date and the Valuation Date that was not contemplated or reflected in the Series B+ Financing Round, as confirmed by the management of the Target Company.

- The Proposed Transaction does not constitute a deemed liquidation event under the shareholders agreement, as confirmed to us in writing by the Client and its legal advisers. We were advised that the Proposed Transaction constitutes an internal group reorganisation and will not result in any change in the ultimate control of the Target Company.

- The Target Group will continue to operate as a going concern. The Target Group will continue to operate in a prudent and reasonable manner necessary to maintain the character and integrity of the valuation subject.

- The rights attaching to each class of equity interest, and the order in which the proceeds of a liquidation would be distributed, are as set out in the amended and restated shareholders agreement and the articles of association in force as at the Valuation Date, and those documents will not be varied.

- The financial and operational information provided by the Company – including management accounts and contractual agreements – is accurate, and we have relied on this information to a significant extent in forming our opinion

- The operating licenses and incorporation documents provided to us are valid, complete, and reliable.

- The Target Group has obtained, and will continue to maintain, all necessary permits, business certificates, licenses and regulatory approvals required to conduct its business, and that such permits, certificates, licenses and approvals are valid, in good standing, and will be renewed upon expiry in the ordinary course of business.

- All operational and contractual terms stipulated in the relevant contracts and agreements entered into between the Target Group and any other parties will be duly performed and honored.

- No material adverse changes will occur in the prevailing political, legal, technological, fiscal, or economic environment that would negatively impact the Subject's business.

- There are no hidden or undisclosed conditions affecting the valued assets that could materially impair their value.

VALUATION OF THE SUBJECT

The equity interests issued in the successive financing rounds of the Target Company do not carry identical economic rights and preferences. Accordingly, the price implied by the Series B+ financing round cannot be applied directly across the entire registered capital of the Target Company to determine the value of the Subject. To address the differing rights attached to each class of equity interest, an equity allocation model, commonly referred to as the Option Pricing Model ("OPM"), was applied.

The OPM treats each class of equity interest as participating differently across potential exit outcomes and allocates value having regard to the respective liquidation preferences, participation rights and distribution waterfall under the shareholders' agreement. Under the statutory liquidation scenario, the liquidation preferences were modelled in the order of Series B+, Series B, Series A and Angel interests. Each round was first entitled to receive its investment principal together with simple interest at 10% per annum calculated from the respective actual payment dates, following which any residual proceeds were allocated among all shareholders in accordance with their participation rights. The cumulative preferential amounts at which the participating interests changed were treated as the participation thresholds in the OPM, and each class was treated as a series of call options on the total equity value. The incremental option value between successive thresholds was allocated only among the interests entitled to participate within the relevant interval. The resulting values under the statutory liquidation and continuation scenarios were then probability-weighted to determine the value attributable to each interest. The relevant thresholds, allocation calculations and resulting values are set out in Exhibit A.

Specifically, the subscription price paid by Tencent in the Series B+ financing round (at RMB118.3 per share capital of RMB1) was used in a back-solve analysis to derive the total equity value of the Target Company as at the Financing Date. The back-solve resulted in a total equity value of RMB1,661,168,880 for the Target Company as at the Financing Date with values of various classes of shares ranging from RMB98.6 (ordinary shares) to RMB118.3

(Series B+) per share capital of RMB1. Following adjustment of that total equity value for changes in market conditions between the Financing Date and the Valuation Date, the OPM was applied again using the inputs applicable as at the Valuation Date to allocate the adjusted equity value among the Series A, Series B, Series B+, Angel and ordinary equity interests. Accordingly, the values attributed to the Series A, Series B and Series B+ interests held by Lepu Medical reflect not only their proportionate ownership interests but also the differing economic rights and preferences attaching to each class of equity interest.

The rights and preferences associated with each class of equity interest, the methodology and mechanics of the OPM, the selection of comparable companies used to derive the expected volatility and market movement adjustment, as well as the three-step process employed to derive the value of the Subject, are set out in Exhibit A.

In summary, the Series B+ financing round implied a total equity value of RMB1,661,168,880 for the Target Company as at the Financing Date. After adjusting for the 4.35% average decline in the share prices of the selected comparable companies between the Financing Date and the Valuation Date, the total equity value of the Target Company as at the Valuation Date was estimated at RMB1,588,890,628. Based on the allocation of this equity value among the respective classes of equity interests outstanding as at the Valuation Date, the aggregate value attributable to the Series A, Series B and Series B+ interests held by Lepu Medical, which collectively comprise the Subject, was RMB870,006,586 prior to any adjustment for control.

Adjustment for Control Premium

A control premium represents the amount by which the pro rata value of a controlling interest exceeds that of a non-controlling interest in a business enterprise, reflecting the value of control. This concept recognizes that controlling shareholders possess rights that minority shareholders do not. More importantly, the manner in which these rights can be exercised – and the associated economic benefits – results in a higher per-share value for a controlling ownership block compared to a minority ownership block.

The Subject represents more than 50% of the registered capital of the Target Company and, accordingly, conveys a controlling interest in the Target Company. In contrast, the Series B+ financing round, which serves as the primary reference point for our valuation, involved the acquisition of a minority interest. As controlling interests generally command a premium relative to minority interests due to the enhanced rights and influence associated with control, the application of a control premium is considered appropriate in the present circumstances.

In determining an appropriate control premium, we have referenced the Quarterly Control Premium Studies published by FactSet Mergerstat, LLC, covering the 3-year period ending with the first quarter of 2026. Accordingly, we have adopted the 3-year average of these quarterly median control premiums, which amounts to 27.53%, as the applicable control premium.

Calculation of Valuation Result

The calculation of the market value of the Subject as at the Valuation Date is summarised as follows:

		Amount *(RMB)*
Total equity value of the Target Company as at the Financing Date (Step 1)	A	1,661,168,880
Change in the share prices of the comparable companies between the Financing Date and the Valuation Date (Step 2)	B	(4.35%)
Total equity value of the Target Company as at the Valuation Date	C = A × (1 + B)	1,588,890,628
Value allocated to the Series A interest held by Lepu Medical (Step 3)	D	738,052,857
Value allocated to the Series B interest held by Lepu Medical (Step 3)	E	79,454,764
Value allocated to the Series B+ interest held by Lepu Medical (Step 3)	F	52,498,964
Value of the Subject before control premium	G = D + E + F	870,006,586
Add: control premium (27.53%)	H	239,512,813
Market value of the Subject	I = G + H	1,109,519,399
Market value of the Subject (rounded)		1,110,000,000

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions which have been set out in this report above. Further, while the assumptions are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

We confirm that we have sufficient current local knowledge of the market which the Target Company are engaged in and the skills and understanding necessary to undertake the valuation of the Subject competently. We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Further, we are not aware of any material changes to the Subject between the Valuation Date and the date of this report.

We are instructed to provide our opinion of value as per the Valuation Date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the Valuation Date. We assume no responsibility for changes in market conditions or other external factors occurring after the Valuation Date.

This report is issued subject to our Limiting Conditions as attached.

INDEPENDENCE DECLARATION

We confirm that to the best of our knowledge and belief, we are independent of the Company and the Target Company, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

OPINION OF VALUE

Based on the results of our investigations and analysis, we are of the opinion that the market value of the Subject, being the 7,531,944 Series A Shares, 760,802 Series B Shares, and 469,669 Series B+ Shares, which collectively represent a 54.24% equity interest in Shanghai Minwei Biotechnology Co., Ltd.* (上海民為生物技術有限公司), as at the Valuation Date is reasonably stated at RMB1,110,000,000 (Renminbi One Billion One Hundred Ten Million).

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Simon M.K. Chan
Executive Director

Note: Mr. Simon M.K. Chan is a fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

EXHIBIT A – EQUITY ALLOCATION MODEL AND DERIVATION OF THE VALUE OF THE SUBJECT

Overview

This exhibit sets out the rights attaching to each class of equity interest in the Target Company, the equity allocation model applied in this valuation, the comparable companies from which the expected volatility and the adjustment for market movement were derived, and the three steps by which the value of the Subject as at the Valuation Date was derived from the price paid in the Series B+ round.

Rights Attaching to Each Class of Equity Interest

As noted above, the Target Company is a limited liability company incorporated in the PRC, and its equity is represented by registered capital rather than shares formally divided into different classes. The differing economic rights and preferences of its shareholders arise from the amended and restated shareholders' agreement and the articles of association in effect as at the Valuation Date. For valuation purposes, and consistent with the waterfall provisions governing the distribution of proceeds under these documents, the interests acquired in each financing round have been treated as a separate class of equity interest to reflect their respective rights and preferences. The principal rights and preferences considered in our valuation are summarised below:

- Liquidation preference. In the event of a statutory liquidation of the Target Company, being its dissolution, its bankruptcy or the cessation of its business for a continuous period of more than six months, the investors are entitled to receive distributions in priority to the founder and the employee holding platform, in the order of Series B+, Series B, Series A and the Angel round. The entitlement of each round comprises its investment principal together with simple interest at 10% per annum, accruing from the date on which the relevant investment was actually paid up, plus any declared but unpaid dividends. Upon those entitlements having been satisfied in full, the remaining proceeds are distributed among all shareholders in proportion to their respective paid-in capital. No dividends had been declared and remained unpaid as at the Valuation Date.

- Qualified listing and deemed liquidation. Under the shareholders' agreement, a qualified listing does not constitute a liquidation event. Accordingly, it does not trigger the distribution of liquidation proceeds or the exercise of any liquidation preference. A deemed liquidation event, including a merger, a change of control of the Target Company or a disposal of substantially all of its business, is expressly provided for under the shareholders' agreement. Upon such an event, the proceeds are distributed among all shareholders on a pro rata basis by reference to their respective paid-in capital, without preference among the different classes of equity interests. Accordingly, both exit scenarios currently contemplated would result in a pro rata allocation of value among the shareholders. We were advised that the Proposed Transaction constitutes an internal group reorganisation and will not result in any change in the ultimate control of the Target Company, and therefore does not constitute a deemed liquidation event.

The practical effect of these provisions is that the respective classes of equity interests differ in value only upon a statutory liquidation, when their liquidation preferences would apply. Under all other contemplated exit scenarios, the equity interests participate in the proceeds on a pro rata basis by reference to their respective paid-in capital.

The Equity Allocation Model

As the respective equity interests do not participate equally across all potential outcomes, the subscription price paid for a particular class in a financing round cannot be applied pro rata to the Target Company's total registered capital to derive its total equity value. Conversely, the total equity value cannot be allocated among the respective classes solely in proportion to their paid-in capital. Accordingly, an equity allocation model, commonly referred to as the Option Pricing Model (the "OPM"), has been applied to reflect the differing economic rights and preferences of each class. The OPM is a commonly adopted methodology for allocating the equity value of a company among multiple classes of equity interests with different rights and preferences.

The OPM treats the economic interest of each class of equity as a series of call options on the total equity value of the Target Company, with the payoff to each class determined by the amount of proceeds available for distribution upon an exit. In economic terms, an equity class that begins to participate only when the distributable proceeds exceed a specified threshold is analogous to a call option with an exercise price equal to that threshold.

Accordingly, each threshold at which the participation rights of one or more classes change is treated as the exercise price of a call option on the Target Company's total equity value. The relevant call options are valued using the Black-Scholes option pricing model, and the incremental value within each interval between successive thresholds is determined by reference to the difference between the corresponding option values. The value within each interval is then allocated among the participating classes in accordance with their respective economic rights.

The OPM does not require separate projections of the Target Company's future cash flows. Its principal inputs comprise the total equity value of the Target Company, the participation thresholds derived from the rights and preferences described above, the expected time to an exit event, and the expected volatility of the Target Company's total equity value.

Two scenarios were modelled, with a probability assigned to each scenario. The value attributable to each class of equity interest was then determined on a probability-weighted basis, as follows:

- Continuation scenario. The Target Company continues as a going concern, and its shareholders realise their investments through a qualified listing or a disposal of the business as a whole. Under this scenario, all classes of equity interests participate in the proceeds on a pro rata basis by reference to their respective paid-in capital.

- Statutory liquidation scenario. The Target Company is wound up, and the available proceeds are distributed among the respective classes of equity interests in accordance with the order of priority described above. Any residual proceeds remaining after satisfaction of the applicable liquidation preferences are distributed among all shareholders on a pro rata basis by reference to their respective paid-in capital.

The Black-Scholes formula applied to each threshold is as follows:

$$\text{Price of a call option} = S * N(d1) - K * e^{-R * T} * N(d2)$$

where:

d1	=	$[\ln (S/K) + (R + V^2/2) * T]/(V * \sqrt{T})$
d2	=	$d1 - V * \sqrt{T}$
N	=	cumulative standard normal distribution function, being a standard statistical function, evaluated at d1 and d2 respectively
S	=	total equity value of the Target Company
K	=	threshold at which the relevant interests begin to participate, being the cumulative participation thresholds set out under "Application of the Statutory Liquidation Waterfall" below
e	=	base of the natural logarithm (approximately 2.71828), being a mathematical constant rather than an input; $e^{-R * T}$ is the factor applied to discount the threshold (K) over the time to the expected exit (T)
T	=	time to the expected exit
R	=	risk-free interest rate corresponding to the time to the expected exit
V	=	expected volatility in the value of the Target Company

Application of the Statutory Liquidation Waterfall

As described under "Rights Attaching to Each Class of Equity Interest", the liquidation preferences applicable under the statutory liquidation scenario were incorporated into the OPM through a series of participation thresholds (K). Each threshold represents the cumulative amount of proceeds required to satisfy the liquidation preferences ranking at or ahead of the relevant class before the next class begins to participate. The preference amounts were calculated by reference to the relevant investment principal, the actual payment dates and simple interest at 10% per annum up to the expected exit date.

Table A1: Preference amounts and cumulative participation thresholds

PRIORITY	INTEREST	PREFERENCE AMOUNT *(RMB)*	CUMULATIVE PARTICIPATION THRESHOLD (K) *(RMB)*
1	SERIES B+	159,246,637	159,246,637
2	SERIES B	220,358,708	379,605,345
3	SERIES A	591,525,655	971,131,000
4	ANGEL	127,460,907	1,098,591,906
5	RESIDUAL PARTICIPATION BY ALL INTERESTS	NOT APPLICABLE	ABOVE 1,098,591,906

Note: Totals may not add due to rounding. Preference amount of each round = sum of the preference amounts of its investors (Table A2). Cumulative participation threshold (K) = preference amount of the tier + preference amounts of all tiers ranking ahead of it (e.g. For Priority 2, K = preference amount for Priority 1 (RMB159,246,637) + preference amount for Priority 2 (RMB220,358,708)).

The preference amount of each investor was calculated as follows:

$$\text{Preference amount} = \text{Investment principal} \times (1 + 10\% \times t)$$

where t = number of years from the payment date to the expected exit date of 31 December 2029 (actual/actual day count). For investments paid in instalments, the payment date is the average weighted by the instalment amounts.

Table A2: Preference amount of each investor

Interest	Investment principal *(RMB)*	Payment date	Time to expected exit (t) *(years)*	Preference amount *(RMB)*
Series B+ – Tencent	50,000,000	29 August 2025	4.3401	71,700,438
Series B+ – Lepu Medical	55,560,000	4 September 2025	4.3237	79,582,245
Series B+ – Hankang	5,560,000	4 September 2025	4.3237	7,963,954
Series B+ total	111,120,000			159,246,637
Series B – Hankang	75,000,000	22 April 2025	4.6933	110,199,890
Series B – Lepu Medical	75,000,000	24 April 2025	4.6878	110,158,817
Series B total	150,000,000			220,358,708
Series A – Lepu Medical	376,597,222	16 April 2024*	5.7071	591,525,655
Angel – Qingdao Minxin	70,000,000	16 October 2021*	8.2087	127,460,907

* Weighted average payment date. The Series A investment principal, as defined in the amended and restated shareholders agreement, comprises the capital increase consideration of RMB259,722,222 and the share transfer consideration of RMB116,875,000. Totals may not add due to rounding.

The cumulative preference amount of each tier was treated as a participation threshold (K) in the OPM. Its application is set out in Step 1 and Step 3 below.

Comparable Companies

The OPM requires an estimate of the expected volatility of the Target Company's total equity value, while the market movement adjustment described in Step 2 below requires an assessment of changes in the share prices of comparable companies between the Financing Date and the Valuation Date. As the Target Company is privately held and does not have observable market data, both inputs were derived by reference to a group of publicly listed comparable companies identified using S&P Capital IQ. The criteria applied in selecting the comparable companies are set out below:

1. the comparable company is classified by S&P Capital IQ under the biotechnology, pharmaceuticals or life sciences tools and services industry;

2. the comparable company is engaged in the research, development or commercialisation of therapies acting on the incretin pathway, being therapies acting on the GLP-1, GIP or glucagon receptors, which is the pathway targeted by the core development programmes of the Target Group and to which approximately two-thirds of its cumulative research and development expenditure has been directed;

3. the comparable companies' GLP-1, GIP, or glucagon receptor-related products were also at the research and development stage, similar to those of the Target Company;

4. the shares of the comparable company have been listed and actively traded on a "major exchange; and

5. sufficient price history and financial data of the comparable company are available as at the Valuation Date.

As sourced from S&P Capital IQ, the comparable companies satisfying the above criteria were obtained. The comparable companies are listed below with their company descriptions:

Table A3: Comparable companies

Ticker	Company name	Company description
CPSE:GUBRA	Gubra A/S	Gubra A/S, a disease-agnostic techbio company, focuses on the peptide-based drug discovery and preclinical contract research services in Europe, North America, and internationally. It operates through three segments: Preclinical Contract Research (CRO), Biotech, and Gubra Green. The company offers preclinical contract research and development services within metabolic and fibrotic diseases for the pharmaceutical and biotechnology industry; and various services in vivo pharmacology, biomarker assays, bioinformatics, next gen sequencing, bioinformatics, and 2D and 3D histology with artificial intelligence pathology. It also has a portfolio strategy of potential drug candidates in the form of upfront payments, research payments, milestone payments, and royalties; and investments targeting assets promoting the green transition. The company has partnership and collaboration with Boehringer Ingelheim for the treatment of obesity; Camurus' FluidCrystal technology to develop a therapy for hypoparathyroidism; Amylyx Pharmaceuticals to develop a GLP-1 receptor antagonist for post-bariatric hypoglycemia and other rare diseases. Gubra A/S was incorporated in 2008 and is headquartered in Horsholm, Denmark.

Ticker	Company name	Company description
NasdaqGM:ALT	Altimmune, Inc.	Altimmune, Inc., a late clinical stage biopharmaceutical company, focuses on developing novel therapies for serious liver diseases. Its lead product candidate is pemvidutide, a GLP-1/glucagon dual receptor agonist, which is in Phase 3 clinical trial for the treatment of metabolic dysfunction-associated steatohepatitis, alcohol use disorder, and alcohol-associated liver disease. The company was founded in 1997 and is headquartered in Gaithersburg, Maryland.
SEHK:2565	PegBio Co., Ltd.	PegBio Co., Ltd., a biopharmaceutical company, focuses on the research and development of medicines for chronic diseases in China. Its products include PB-119, a glucagon like peptide 1 receptor agonist for the treatment of type 2 diabetes mellitus and obesity. The company's PB-718 a long-acting GLP-1 receptor agonist, that have completed b/IIa clinical trials for the treatment of non-alcoholic steatohepatitis (NASH) (PB-718 for obesity and NASH); and PB-1902 an Opioid receptor antagonist, which is in phase II clinical trials for the treatment of opioids constipation and obesity. It is also developing GLP-1 for the first-line treatment of type 2 diabetes mellitus and obesity; and PB-722 that has completed the FDA orphan drug qualification certification for use in the treatment of congenital hyperinsulinemia. Additionally, the company is conducting preclinical studies test on PB-2301, a GLP-1/glucose-dependent insulinotropic polypeptide; and PB-2309, a GLP-1/GIP/glucagon triple receptor agonist for the treatment of type 2 diabetes mellitus, NASH, and obesity. It has research and development collaboration with Rani Therapeutics to expand obesity pipeline across multiple novel candidates. PegBio Co., Ltd. was incorporated in 2008 and is based in Hangzhou, China.

Ticker	Company name	Company description
NasdaqCM:VKTX	Viking Therapeutics, Inc.	Viking Therapeutics, Inc., a clinical-stage biopharmaceutical company, focuses on the development of novel therapies for metabolic and endocrine disorders. Its lead drug candidate is VK2809, an orally available tissue and receptor-subtype selective agonist of the thyroid hormone receptor beta (TRß), which is in Phase IIb clinical trials to treat patients with biopsy-confirmed non-alcoholic steatohepatitis, as well as NAFLD. The company develops VK5211, an orally available non-steroidal selective androgen receptor modulator that is in Phase II clinical trials for the treatment of patients recovering from non-elective hip fracture surgery; VK0612, which is in Phase II clinical trials for metabolic disorders and anemia; VK2735, a novel dual agonist of the glucagon-like peptide 1, which is in Phase 1 SAD/MAD clinical trial, and VK0214, an orally available tissue and receptor-subtype selective agonist of the TRß for X-linked adrenoleukodystrophy. The company was incorporated in 2012 and is headquartered in San Diego, California.
NasdaqGS:BMEA	Biomea Fusion, Inc.	Biomea Fusion, Inc., a clinical-stage diabetes and obesity medicines company, focuses on the discovery and development of oral drugs to treat patients with diabetes and obesity. It's lead clinical program's drug candidates are COVALENT-111 and COVALENT-112, which has completed Phase II clinical trials of icovamenib for the treatment of Type 1 and Type 2 diabetes; COVALENT-211, which is in Phase II clinical trial of icovamenib for treating insulin-deficient type 2 diabetes; and COVALENT-212, which is in Phase II clinical trial of icovamenib for the treatment of type 2 diabetes. The company is also developing BMF-650, which is in Phase I glucagon-like peptide-131 clinical trial for the treatment of obesity. The company was incorporated in 2017 and is headquartered in San Carlos, California.

Ticker	Company name	Company description
NasdaqGM:GPCR	Structure Therapeutics Inc.	Structure Therapeutics Inc., a clinical stage global biopharmaceutical company, develops and delivers novel oral small molecule therapeutics to treat various chronic diseases with unmet medical needs in the United States. Its lead product candidate is GSBR-1290, an oral and biased small molecule agonist of glucagon-like-peptide-1 receptor, which is in two phase 2 clinical trials for the treatment of obesity, overweight, and related conditions. The company also develops ACCG-2671 and ACCG-3535, an oral small molecule amylin receptor agonist that is in phase 1 clinical trial for the treatment of obesity; ANPA-0073, an oral small molecule APJ receptor agonist; and LTSE-2578, an antagonist that targets lysophosphatidic acid 1 receptor, a G-protein coupled receptors implicated in responses to tissue injury and pro-fibrotic processes, for the treatment of idiopathic pulmonary fibrosis. In addition, it develops programs, including glucose-dependent insulinotropic polypeptide receptor (GIPR) program, which identified multiple GIPR agonist, dual GLP-1R/GIPR agonist, and GIPR antagonist hits for small molecule GIPR modulation that has the potential to provide a treatment in obesity; and GCG program, which identified multiple GCG receptor (GCGR) agonist and dual GLP-1R/GCGR agonist hits for small molecule GCGR modulation. The company was formerly known as ShouTi Inc. Structure Therapeutics Inc. was incorporated in 2016 and is headquartered in South San Francisco, California.

The comparable companies identified represent all companies located through S&P Capital IQ that satisfied the selection criteria described above as at the Valuation Date. Accordingly, the selected comparable companies constituted an exhaustive list based on the stated selection criteria.

The historical volatilities of the comparable companies, measured over periods matching the time to the expected exit as at the Financing Date and as at the Valuation Date respectively, are set out below:

Table A4: Historical volatilities of the comparable companies

Ticker	Company name	Volatility (Financing Date)	Volatility (Valuation Date)
CPSE:GUBRA	Gubra A/S	69.66%*	66.34%*
NasdaqGM:ALT	Altimmune, Inc.	105.51%	103.96%
SEHK:2565	PegBio Co., Ltd.	96.04%	111.24%
NasdaqCM:VKTX	Viking Therapeutics, Inc.	98.05%	96.18%
NasdaqGS:BMEA	Biomea Fusion, Inc.	117.32%*	119.77%*
NasdaqGM:GPCR	Structure Therapeutics Inc.	87.08%	90.72%
	Average (excluding outliers)	96.67%	100.52%

* *If the volatility deviates from the mean by 1 standard deviations, it is defined as an outlier. Gubra A/S and Biomea Fusion, Inc. were identified as outliers for the purpose of deriving the expected volatility and were therefore excluded from the calculation of the average historical volatility as of Financing Date and Valuation Date. Given the limited comparable universe, a one-standard-deviation threshold was adopted to mitigate the influence of observations that deviate significantly from the sample's central tendency, while preserving a sufficient number of comparable companies for analysis.*

The average of the historical volatilities of the comparable companies, measured over a period matching the time to the expected exit and excluding those companies whose volatility falls more than one standard deviation from the mean, at 96.67% as at the Financing Date and 100.52% as at the Valuation Date, was adopted in the calculation.

No separate discount for lack of marketability was applied in the valuation. Expected volatility and marketability address different valuation considerations. Expected volatility reflects the anticipated variability in the total equity value of the Target Company over the expected holding period and is a required input to the OPM, whereas a discount for lack of marketability is an adjustment to value reflecting restrictions on the transferability of an interest. Although historical price data from listed comparable companies were used to estimate expected volatility, these companies were used solely as proxies for share price variability and not as direct valuation benchmarks. In addition, the valuation was anchored to the Series B+ financing round, which involved the issuance of unlisted equity interests in the Target Company and therefore reflected the marketability characteristics applicable to such interests. Accordingly, we considered the application of a separate discount for lack of marketability to be unnecessary.

Step 1 – Total Equity Value Implied by the Series B+ Round

Tencent subscribed for its Series B+ interest at a price of RMB118.2962 per RMB1 of registered capital, for an aggregate subscription consideration of RMB50,000,000. A back-solve methodology was applied using the OPM to determine the total equity value of the Target Company that would result in the value allocated to Tencent's Series B+ interest, having regard to the economic rights and preferences described above, being equal to the subscription consideration actually paid. The following inputs, determined as at the Financing Date, were adopted in the back-solve analysis:

Table A5: Inputs as at the Financing Date

Parameter	Financing Date (29 August 2025)	Basis
Total equity value (S)	Solved iteratively	Back-solved to the Series B+ subscription price
Time to the expected exit (T)	4.34 years	From the Financing Date to 31 December 2029, being the end of the qualified listing window advised by management
Risk-free interest rate (R)	1.58%	The CNY China Government BVAL curve (bid yield) sourced from Bloomberg, matching the time to the expected exit
Expected volatility (V)	96.67%	Average historical volatility of the comparable companies, excluding outliers
Probability of statutory liquidation	17.09%	With reference to a Moody's statistics for companies with similar financial position and performance as the Target Company
Probability of continuation	82.91%	Residual

In assessing the probability of statutory liquidation, we assessed the Target Company's financial risk profile by reference to key financial metrics, including leverage, free cash flow to interest expense coverage, free cash flow to debt, operating margin and other indicators of financial position and operating performance. These financial metrics were compared against rating category statistics from Moody's Corporation in order to determine the rating category that was most similar to the Target Company's financial profile. The probability of statutory liquidation was then estimated with reference to cumulative default statistics from Moody's Corporation for the corresponding rating category over a period consistent with the expected time to exit adopted in the Option Pricing Model.

On the basis of the above inputs, the total equity value of the Target Company implied by the Series B+ round as at the Financing Date was RMB1,661,168,880.

S is the result of the back-solve; the tables below are presented at the solved value of RMB1,661,168,880. The calculation stages are:

Table A6: Calculation stages

Stage	Item	Calculation
(a)	Call option value at each participation threshold (K)	Black-Scholes formula
(b)	Incremental option value	Call option value at K – call option value at the next K
(c)	Value under the statutory liquidation scenario (VL)	Incremental option value of the tier × share within tier + residual option value × share of registered capital
(d)	Probability-weighted value	PL × VL + PC × VC, where VC = S × share of registered capital
(e)	Back-solve of S	S adjusted until the value of Tencent's Series B+ interest = RMB50,000,000
(f)	Value per RMB1 of registered capital	Value ÷ registered capital

Under the OPM, the value attributable to each equity interest was determined separately under the statutory liquidation scenario and the continuation scenario. The value attributable to each interest under the two scenarios was then probability-weighted to determine its allocated value for the purpose of the back-solve analysis.

Stage (a) – call option values as at the Financing Date:

Table A7: Call option values as at the Financing Date

Participation threshold (K) *(RMB)*	d1	d2	N(d1)	N(d2)	Call option value *(RMB)*
0	n/a	n/a	1.0000	1.0000	1,661,168,880
159,246,637	2.2053	0.1914	0.9863	0.5759	1,552,750,104
379,605,345	1.7740	-0.2400	0.9620	0.4052	1,454,366,364
971,131,000	1.3075	-0.7064	0.9045	0.2400	1,284,893,269
1,098,591,906	1.2463	-0.7676	0.8937	0.2214	1,257,470,945

Note: S, T, R and V from Table A5; K from Table A1. At K = 0, call option value = S.

Stage (b) – incremental option values as at the Financing Date. Under the statutory liquidation scenario, the call option value at each participation threshold was calculated using the Black-Scholes option pricing model. The difference between the call option values at two successive thresholds represented the incremental option value within the relevant interval. Such incremental option value was allocated among the interests entitled to participate within that interval in accordance with the contractual liquidation preferences, participation rights and distribution waterfall described above. The calculation of the incremental option values under the statutory liquidation scenario is summarised below:

Table A8: Incremental option values as at the Financing Date

Participation threshold (K) *(RMB)*	Call option value *(RMB)*	Incremental option value *(RMB)*	Allocation basis
0	1,661,168,880	108,418,776	Series B+ interests
159,246,637	1,552,750,104	98,383,740	Series B interests
379,605,345	1,454,366,364	169,473,095	Series A interest
971,131,000	1,284,893,269	27,422,324	Angel interest
1,098,591,906	1,257,470,945	1,257,470,945	All equity interests participate in the residual value

Note: Incremental option value = call option value at K – call option value at the next K (Table A7). For the final K, incremental option value = call option value.

Stage (c) – value under the statutory liquidation scenario (VL). Within each preferential tier, value is shared pro rata to the preference amounts in Table A2; the residual option value of RMB 1,257,470,945 (Table A8) is shared pro rata to registered capital:

VL (F) = (A) × (B) + residual option value × (D) = (C) + (E)

Table A9: Value of each interest under the statutory liquidation scenario as at the Financing Date

Interest	Incremental option value of the tier *(RMB)* (A)	Share within tier (B)	From preferential tier *(RMB)* (C) = (A) × (B)	Share of registered capital (D)	From residual value *(RMB)* (E) = residual × (D)	VL *(RMB)* (F) = (C) + (E)
Series B+ – Tencent	108,418,776	45.0248%	48,815,308	2.6163%	32,898,795	81,714,103
Series B+ – Lepu Medical	108,418,776	49.9742%	54,181,424	2.9072%	36,557,166	90,738,590
Series B+ – Hankang	108,418,776	5.0010%	5,422,043	0.2909%	3,658,371	9,080,414

Interest	Incremental option value of the tier *(RMB)* (A)	Share within tier (B)	From preferential tier *(RMB)* (C) = (A) × (B)	Share of registered capital (D)	From residual value *(RMB)* (E) = residual × (D)	VL *(RMB)* (F) = (C) + (E)
Series B – Hankang	98,383,740	50.0093%	49,201,039	4.7093%	59,217,800	108,418,839
Series B – Lepu Medical	98,383,740	49.9907%	49,182,701	4.7093%	59,217,800	108,400,501
Series A – Lepu Medical	169,473,095	100.0000%	169,473,095	46.6219%	586,256,542	755,729,637
Angel – Qingdao Minxin	27,422,324	100.0000%	27,422,324	10.8787%	136,796,805	164,219,129
Ordinary – Han Weiyue	n/a	n/a	0	25.4095%	319,516,861	319,516,861
Ordinary – Dongguan Yunhan	n/a	n/a	0	1.8570%	23,350,806	23,350,806
Total			403,697,935	100.0000%	1,257,470,945	1,661,168,880

Note: (A) from Table A8; (B) from Table A2.

Under the continuation scenario which the contractual liquidation preferences did not apply, the trial total equity value was allocated among all equity interests on a pro rata basis by reference to their respective registered capital.

Stage (d) – probability-weighted value:

$$\text{Value} = \text{PL} \times \text{VL} + \text{PC} \times \text{VC}$$

where PL = 17.09% and PC = 82.91% (Table A5), and VC = S × share of registered capital:

Table A10: Probability-weighted value of each interest as at the Financing Date

Interest	Statutory liquidation scenario (VL) *(RMB)* Probability 17.09%	Continuation scenario (VC) *(RMB)* Probability 82.91%	Probability-weighted value *(RMB)*
Series B+ – Tencent	81,714,103	43,460,610	50,000,015
Series B+ – Lepu Medical	90,738,590	48,293,462	55,549,424
Series B+ – Hankang	9,080,414	4,832,853	5,558,970
Series B – Hankang	108,418,839	78,229,057	83,389,977

Interest	Statutory liquidation scenario (VL) *(RMB)* **Probability 17.09%**	Continuation scenario (VC) *(RMB)* **Probability 82.91%**	Probability-weighted value *(RMB)*
Series B – Lepu Medical	108,400,501	78,229,057	83,386,842
Series A – Lepu Medical	755,729,637	774,468,092	771,264,768
Angel – Qingdao Minxin	164,219,129	180,713,993	177,894,208
Ordinary – Han Weiyue	319,516,861	422,094,418	404,558,863
Ordinary – Dongguan Yunhan	23,350,806	30,847,339	29,565,812
Total	1,661,168,880	1,661,168,880	1,661,168,880

Note: VL from Table A9; VC = RMB1,661,168,880 × share of registered capital; value = 17.09% × VL + 82.91% × VC.

Stage (e) – back-solve of S. For each trial total equity value, the values attributable to each interest under the statutory liquidation scenario and the continuation scenario were probability-weighted using the respective probabilities as at the Financing Date. The trial total equity value was iteratively adjusted until the resulting probability-weighted value allocated to Tencent's Series B+ interest was equal to its subscription consideration of RMB50,000,000, equivalent to RMB118.2962 per RMB1 of registered capital. This resulted in an implied total equity value of RMB1,661,168,880 as at the Financing Date.

Stage (f) – value per RMB 1 of registered capital. The allocation of that amount among the respective classes of equity interest as at the Financing Date, being the allocation produced by the back-solve analysis, is set out below:

Table A11: Allocation of the total equity value as at the Financing Date

Interest	Value *(RMB)* **(A)**	Registered capital *(RMB)* **(B)**	Value per RMB1 of registered capital *(RMB)* **(C) = (A) ÷ (B)**
Series B+ – Tencent	50,000,015	422,668	118.30
Series B+ – Lepu Medical	55,549,424	469,669	118.27
Series B+ – Hankang	5,558,970	47,001	118.27
Series B – Hankang	83,389,977	760,802	109.61
Series B – Lepu Medical	83,386,842	760,802	109.60
Series A – Lepu Medical	771,264,768	7,531,944	102.40
Angel – Qingdao Minxin	177,894,208	1,757,500	101.22

Interest	Value (RMB) (A)	Registered capital (RMB) (B)	Value per RMB1 of registered capital (RMB) (C) = (A) ÷ (B)
Ordinary – Han Weiyue	404,558,863	4,105,000	98.55
Ordinary – Dongguan Yunhan	29,565,812	300,000	98.55
Total	1,661,168,880	16,155,386	

Note: (A) from Table A10.

Step 2 – Adjustment for Market Movement to the Valuation Date

The Series B+ financing round was completed approximately ten months prior to the Valuation Date. To reflect changes in market conditions during the intervening period, the total equity value derived in Step 1 was adjusted by reference to the change in the share prices of the selected comparable companies between the Financing Date and the Valuation Date. The share prices of these companies, excluding outliers, decreased by an average of 4.35% over that period.

Table A12: Share price changes of the comparable companies

Ticker	Company name	Share Price (USD) (Financing Date)	Share Price (USD) (Valuation Date)	Share Price Changes (%)
CPSE:GUBRA	Gubra A/S	58.80	49.17	(16.38%)
NasdaqGM:ALT	Altimmune, Inc.	3.83	3.04	(20.63%)
SEHK:2565	PegBio Co., Ltd.	4.61	0.68	(85.26%)*
NasdaqCM:VKTX	Viking Therapeutics, Inc.	27.05	39.01	44.21%
NasdaqGS:BMEA	Biomea Fusion, Inc.	1.95	1.47	(24.62%)
NasdaqGM:GPCR	Structure Therapeutics Inc.	19.30	53.67	178.08%*
	Average (excluding outliers)*			(4.35%)

* If the share price change deviates from the mean by 1 standard deviations, it is defined as an outlier. PegBio Co., Ltd. and Structure Therapeutics Inc. were identified as outliers for the purpose of deriving the share price change and were therefore excluded from the calculation of the average share price change.

Accordingly, the total equity value derived in Step 1 was adjusted downward by 4.35%.

Applying that change to the total equity value derived in Step 1, the total equity value of the Target Company as at the Valuation Date was RMB1,588,890,628.

Step 3 – Allocation of Value as at the Valuation Date

The OPM was then applied for a second time to allocate the adjusted total equity value derived in Step 2 among the respective classes of equity interests, using the inputs applicable as at the Valuation Date. Unlike Step 1, no back-solve analysis was performed at this stage, as the total equity value had already been determined in Step 2. The inputs adopted in the allocation analysis were as follows:

Table A13: Inputs as at the Valuation Date

Parameter	Valuation Date (30 June 2026)	Basis
Total equity value (S)	RMB1,588,890,628	As derived in Step 2
Time to the expected exit (T)	3.50 years	From the Valuation Date to 31 December 2029
Risk-free interest rate (R)	1.3083%	The CNY China Government BVAL curve (bid yield) sourced from Bloomberg, matching the time to the expected exit
Expected volatility (V)	100.52%	Average historical volatility of the comparable companies, excluding outliers
Probability of statutory liquidation	13.81%	With reference to a Moody's statistics for companies with similar financial position and performance as the Target Company
Probability of continuation	86.19%	Residual

The adjusted total equity value was allocated using the same scenario-based allocation methodology described in Step 1. The same Black-Scholes formula was applied with the inputs in Table A13. Stages (a) to (d) and (f) in Table A6 apply; stage (e) does not, as S was determined in Step 2.

Stage (a) – call option values as at the Valuation Date:

Table A14: Call option values as at the Valuation Date

Participation threshold (K) *(RMB)*	d1	d2	N(d1)	N(d2)	Call option value *(RMB)*
0	n/a	n/a	1.0000	1.0000	1,588,890,628
159,246,637	2.1877	0.3058	0.9857	0.6201	1,471,766,423
379,605,345	1.7261	-0.1558	0.9578	0.4381	1,363,035,874
971,131,000	1.2269	-0.6549	0.8901	0.2563	1,176,519,476
1,098,591,906	1.1614	-0.7205	0.8773	0.2356	1,146,612,101

Note: S, T, R and V from Table A13; K from Table A1. At K = 0, call option value = S.

Stage (b): the resulting incremental option values under the statutory liquidation scenario as at the Valuation Date are summarised below:

Table A15: Incremental option values as at the Valuation Date

Participation threshold (K) *(RMB)*	Call option value *(RMB)*	Incremental option value *(RMB)*	Allocation basis
0	1,588,890,628	117,124,205	Series B+ interests
159,246,637	1,471,766,423	108,730,549	Series B interests
379,605,345	1,363,035,874	186,516,398	Series A interest
971,131,000	1,176,519,476	29,907,375	Angel interest
1,098,591,906	1,146,612,101	1,146,612,101	All equity interests participate in the residual value

Note: Incremental option value = call option value at K – call option value at the next K (Table A14). For the final K, incremental option value = call option value.

Stage (c), on the same basis as in Step 1, with a residual option value of RMB1,146,612,101 (Table A15):

Table A16: Value of each interest under the statutory liquidation scenario as at the Valuation Date

Interest	Incremental option value of the tier *(RMB)* (A)	Share within tier (B)	From preferential tier *(RMB)* (C) = (A) × (B)	Share of registered capital (D)	From residual value *(RMB)* (E) = residual × (D)	VL *(RMB)* (F) = (C) + (E)
Series B+ – Tencent	117,124,205	45.0248%	52,734,908	2.6163%	29,998,432	82,733,340
Series B+ – Lepu Medical	117,124,205	49.9742%	58,531,894	2.9072%	33,334,280	91,866,173
Series B+ – Hankang	117,124,205	5.0010%	5,857,403	0.2909%	3,335,848	9,193,252
Series B – Hankang	108,730,549	50.0093%	54,375,408	4.7093%	53,997,149	108,372,556
Series B – Lepu Medical	108,730,549	49.9907%	54,355,141	4.7093%	53,997,149	108,352,290
Series A – Lepu Medical	186,516,398	100.0000%	186,516,398	46.6219%	534,572,070	721,088,468
Angel – Qingdao Minxin	29,907,375	100.0000%	29,907,375	10.8787%	124,736,776	154,644,151
Ordinary – Han Weiyue	n/a	n/a	0	25.4095%	291,348,203	291,348,203
Ordinary – Dongguan Yunhan	n/a	n/a	0	1.8570%	21,292,195	21,292,195
Total			442,278,527	100.0000%	1,146,612,101	1,588,890,628

Note: (A) from Table A15; (B) from Table A2.

Stage (d): Value = PL × VL + PC × VC, where PL = 13.81% and PC = 86.19% (Table A13):

Table A17: Probability-weighted value of each interest as at the Valuation Date

Interest	Statutory liquidation scenario (VL) *(RMB)* **Probability 13.81%**	Continuation scenario (VC) *(RMB)* **Probability 86.19%**	Probability-weighted value *(RMB)*
Series B+ – Tencent	82,733,340	41,569,618	47,253,604
Series B+ – Lepu Medical	91,866,173	46,192,191	52,498,964
Series B+ – Hankang	9,193,252	4,622,573	5,253,703
Series B – Hankang	108,372,556	74,825,273	79,457,563
Series B – Lepu Medical	108,352,290	74,825,273	79,454,764
Series A – Lepu Medical	721,088,468	740,770,616	738,052,857
Angel – Qingdao Minxin	154,644,151	172,851,040	170,336,989
Ordinary – Han Weiyue	291,348,203	403,728,888	388,211,092
Ordinary – Dongguan Yunhan	21,292,195	29,505,156	28,371,091
Total	1,588,890,628	1,588,890,628	1,588,890,628

Note: VL from Table A16; VC = RMB1,588,890,628 × share of registered capital; value = 13.81% × VL + 86.19% × VC.

Stage (f): the resulting allocation of the total equity value among the respective classes of equity interest as at the Valuation Date is set out below:

Table A18: Allocation of the total equity value as at the Valuation Date

Interest	Value *(RMB)* **(A)**	Registered capital *(RMB)* **(B)**	Value per RMB1 of registered capital *(RMB)* **(C) = (A) ÷ (B)**
Series B+ – Tencent	47,253,604	422,668	111.80
Series B+ – Lepu Medical	52,498,964	469,669	111.78
Series B+ – Hankang	5,253,703	47,001	111.78
Series B – Hankang	79,457,563	760,802	104.44
Series B – Lepu Medical	79,454,764	760,802	104.44
Series A – Lepu Medical	738,052,857	7,531,944	97.99

Interest	Value *(RMB)* **(A)**	Registered capital *(RMB)* **(B)**	Value per RMB1 of registered capital *(RMB)* **(C) = (A) ÷ (B)**
Angel – Qingdao Minxin	170,336,989	1,757,500	96.92
Ordinary – Han Weiyue	388,211,092	4,105,000	94.57
Ordinary – Dongguan Yunhan	28,371,091	300,000	94.57
Total	1,588,890,628	16,155,386	

Note: (A) from Table A17. Series A, Series B and Series B+ interests held by Lepu Medical = items D, E and F under "Calculation of Valuation Result".

The interests held by Lepu Medical which together constitute the Subject are the Series A, Series B and Series B+ interests. Their aggregate value, before any adjustment for control, amounts to RMB870,006,586.

LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our reports were used as part of the Company's analysis in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Company.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the board of the Company have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the Subject. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialized expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client/Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This report has been prepared solely for the use as stated in the report and the engagement letter. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not be liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.

11. This report is solely for the use by the client and the calculation of values expressed herein is valid only for the purpose stated in this report and the engagement letter/proposal as of the Valuation Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation.

13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the Subject.

15. This exercise is premised in part on the historical financial information provided by the management of the Client/Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Accordingly, to the extent any of the above-mentioned information requires adjustments, the resulting value may differ significantly.

16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company/engagement parties and other sources. Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

17. The board of directors, management, staff, and representatives of the Client/Target Company have confirmed to us that they are independent to JLL in this valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client/Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, Ms. Wang Yong, a supervisor of the Company, is interested in 147,221 shares of the Company through an employee stock ownership platform of Lepu Medical, representing approximately 0.04% of the issued share capital of the Company. She is also interested in 191,700 shares of Lepu Medical as a beneficial owner, representing approximately 0.01% of the issued share capital of Lepu Medical.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of our Company had interests or short positions in the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange.

(b) Substantial shareholders' interests and short positions in shares, underlying shares and debentures

So far as the Directors are aware, as at the Latest Practicable Date, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Nature of interests	Class of Shares	Number of Shares	Long position/ short position[(2)]	Approximate percentage in the total issued share capital of the Company[(1)]
Dr. Pu[*(note3)*]	Interest in a controlled corporation	H Shares	268,860,000	Long position (L)	78.67%
Lepu Medical[*(note3)*]	Beneficial owner	H Shares	266,060,000	Long position (L)	77.85%
	Interest in a controlled corporation	H Shares	2,800,000	Long position (L)	0.82%
		Total:	268,860,000	Long position (L)	78.67%

Notes:

1. As at the Latest Practicable Date, the total number of issued shares of the Company was 341,775,997 shares (which has taken into account Shares repurchased for cancellation but not yet cancelled).

2. The letter (L) denotes a long position in shares of the Company.

3. Lepu Medical held approximately 78.67% of the shareholding interest of our Company, including approximately 0.82% indirect shareholding interest through Target Medical and approximately 77.85% direct shareholding interest. Lepu Medical held the entire share interest in Target Medical and was therefore deemed to be interested in the Shares held by Target Medical under the SFO. Dr. Pu is the actual controller of Lepu Medical and was therefore deemed to be interested in the H Shares held by Lepu Medical under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors, Supervisors and chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or to be entered in the register required to be kept pursuant to Section 336 of the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract, excluding contract expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation) between any of the Directors of the Company and any member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete, either directly, or indirectly with the Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder).

5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Enlarged Group or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since December 31, 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

No Director was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Enlarged Group taken as a whole.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Enlarged Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

7. MATERIAL CONTRACTS

Except for the Share Transfer Agreement (the details of which are disclosed in this circular), the Enlarged Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice contained in this circular:

Name	Qualification
BDO CHINA Shu Lun Pan Certified Public Accountants LLP	Certified Public Accountants
Somerley Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Valuer

Each of the above experts had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, advice and opinion and references to its name in the form and context in which it appeared.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Enlarged Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group. In addition, each of the above experts did not have any interest in any assets which have been, since December 31, 2025 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

9. MISCELLANEOUS

(a) The joint company secretaries of the Company are (i) Mr. Chen Ming, a holder of the Chinese Certified Public Accountant (CICPA) qualification; and (ii) Ms. Ma Ho Ki, a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

(b) The registered office of the Company is situated at Room 201, Building 41, No. 258, Xinzhuan Road, Songjiang District, Shanghai, the PRC.

(c) The principal place of business in Hong Kong of the Company is situated at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

(d) The head office of the Company in the PRC is situated at 1/F, 5/F, Building 41, No. 258, Xinzhuan Road, Songjiang District, Shanghai, the PRC.

(e) The H share registrar and transfer office of the Company is Tricor Investor Services Limited which is situated at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong.

Save as otherwise stipulated in this circular, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

10. DOCUMENTS ON DISPLAY

The following documents are published on the respective websites of Company (www.scientechmed.com) and the Stock Exchange (www.hkexnews.hk) from the date of this circular up to 14 days thereafter:

(i) the Share Transfer Agreement;

(ii) the letter from the Board, the text of which is set out in this circular;

(iii) the letter of recommendation from the Independent Board Committee, the text of which is set out in this circular;

(iv) the letter from the Independent Financial Adviser, the text of which is set out in this circular;

(v) the accountants' report on the Target Group, the text of which is set out in Appendix II of this circular;

(vi) the report on the Unaudited Pro Forma Financial Information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(vii) the valuation report on the 54.2384% equity interest of the Target Company, the text of which is set out in Appendix V to this circular;

(viii) the written consent of the experts referred to in the paragraph headed "8. Experts and Consents" in this appendix; and

(ix) this circular.

LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.*

樂普心泰醫療科技(上海)股份有限公司

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

(Stock Code: 2291)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.* (the "**Company**") will be held at 10:30 a.m on Wednesday, December 2, 2026 at Conference Room, 5th Floor, Building 41, No. 258 Xinzhuan Highway, Songjiang District, Shanghai, the PRC, to consider and, if appropriate, approve, with or without amendments, the following resolutions. Unless otherwise specified, capitalized terms used in this notice shall have the same meanings as defined in the circular of the Company dated November 12, 2026 (the "**Circular**").

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the share transfer agreement dated August 21, 2026 (the "**Share Transfer Agreement**") entered into between (i) the Company as the purchaser; (ii) Lepu Medical Technology (Beijing) Co., Ltd. (樂普(北京)醫療器械股份有限公司) as the vendor; and (iii) Shanghai Minwei Biotechnology Co., Ltd.# (上海民為生物技術有限公司) as the target company, and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified; and

   (b) any one director of the Company be and is hereby authorized on behalf of the Company to do all such acts and sign, execute, seal (where required) and deliver the Share Transfer Agreement and all such other documents and to take all such steps as the directors of the Company in their discretion may consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Share Transfer Agreement and the transactions contemplated thereunder."

2. "**THAT** conditional upon the ordinary resolution number 1 being approved, the Proposed Change in UOP be and is hereby confirmed, approved and ratified."

By order of the Board
LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.*
樂普心泰醫療科技(上海)股份有限公司
Ms. Chen Juan
Chairman of the Board and Executive Director

Shanghai, the People's Republic of China

November 12, 2026

As at the date of this notice, the Board comprises Ms. Chen Juan as an executive Director; Ms. Zhang Yuxin, Mr. Fu Shan and Mr. Zhu Guanfu as non-executive Directors; and Ms. Chan Ka Lai Vanessa, Mr. Zheng Yufeng, and Mr. Zheng Junwei as independent non-executive Directors.

* *The Company is a registered non-Hong Kong company as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), and it is registered under its Chinese name and English name "LEPU ScienTech Medical Technology (Shanghai) Co., Ltd."*

\# *For identification purposes only*

Notes:

i. To determine the list of Shareholders entitled to attend the EGM, the register of members of the Company will be closed from Friday, November 27, 2026 to Wednesday, December 2, 2026 (both days inclusive), during which no transfer of Shares will be effected. Shareholders whose names appear on the Company's register of members on Wednesday, December 2, 2026 shall be entitled to attend and vote at the EGM. To be eligible to attend and vote at the EGM, all transfer documents shall be delivered, no later than 4:30 p.m. on Thursday, November 26, 2026, to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

ii. Each Shareholder entitled to attend and vote at the EGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on his/her/its behalf. A proxy need not be a Shareholder. With respect to any Shareholder who has appointed more than one proxy, such proxies may only exercise their voting rights in a poll.

iii. The form of proxy shall be signed by the appointer or his/her attorney duly authorized in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its director or attorney duly authorized.

iv. In order to be valid, the form of proxy must be deposited, at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours prior to the holding of the EGM or any adjournment thereof. If the form of proxy is signed by another person under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the form of proxy, be deposited at the specified place at the time set out in such form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

v. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the EGM. If Shareholders appoint an authorized representative to attend the EGM, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorized persons of the Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the form of proxy signed by the Shareholders or their authorized representative(s) when attending the EGM.

vi. The Company shall have the right to request the proxies attending the EGM on behalf of the Shareholders to produce their identity documents.

vii. In the case of joint Shareholders, the vote cast by the senior Shareholder, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names of the relevant joint Shareholders stand on the register of members of the Company.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions set out in the notice of the EGM will be taken by poll.

The H Share Registrar, Tricor Investor Services Limited, is located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Tel: +852 2980 1333, Fax: +852 2810 8185.