Sinotau 先通医药

Beijing Sinotau International Pharmaceutical Technology Co., Ltd.
北京先通國際醫藥科技股份有限公司

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

Stock Code : 9941

GLOBAL OFFERING



Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (in no particular order)

广发证券 GF SECURITIES (Independent Sponsor)

CICC 中金公司

CITIC SECURITIES

Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

招銀国际 CMB INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

DBS 星展集团

中國銀河國際 CHINA GALAXY INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

中銀國際 BOCI

ABCI 農銀國際

國聯證券國際 GUOLIAN SECURITIES INTERNATIONAL

交銀國際 BOCOM International

民銀資本 CMBC CAPITAL HOLDINGS LIMITED

浙商國際 ZHESHANG INTERNATIONAL

富途證券 FUTU Securities International

老虎證券 TIGER BROKERS

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain professional independent advice.

Sinotau 先通医药

Beijing Sinotau International Pharmaceutical Technology Co., Ltd.

北京先通國際醫藥科技股份有限公司

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

Global Offering

Number of Offer Shares under the Global Offering	**:**	**6,561,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**656,100 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**5,904,900 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$68.0 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**9941**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

广发证券 GF SECURITIES (Independent Sponsor)　CICC 中金公司　CITIC SECURITIES

(in no particular order)

Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

招銀国际 CMB INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

DBS 星展集团　中國銀河國際 CHINA GALAXY INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

中銀國際 BOCI　ABCI 農銀國際　國聯證券國際 GUOLIAN SECURITIES INTERNATIONAL　交銀國際 BOCOM International

民銀資本 CMBC CAPITAL HOLDINGS LIMITED　浙商國際 ZHESHANG INTERNATIONAL　富途證券 FUTU Securities International　老虎證券 TIGER BROKERS

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Friday, November 20, 2026 (Hong Kong time). The Offer Price will not be more than HK$68.0 per Offer Share and is currently expected to be not less than HK$52.0 per Offer Share. Applicants for Hong Kong Offer Shares are required to pay, on application (subject to application channel), the maximum Offer Price of HK$68.0 for each Hong Kong Offer Share together with a brokerage fee of 1%, a SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and a Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price as finally determined is lower than HK$68.0. If, for any reason, the Offer Price is not agreed by 12:00 noon on Friday, November 20, 2026 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.sinotau.com not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For further information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the paragraph headed "Underwriting – Underwriting Arrangements and Expenses – The Hong Kong Public Offering – Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, and in particular, the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.sinotau.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

November 16, 2026

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the "*HKEXnews* > *New Listings* > *New Listing Information*" section, and our website at www.sinotau.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**;

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

NEW SHARES TO BE ISSUED IN UNCERTIFICATED FORM

The H Shares are participating securities from the listing date and will be issued in Uncertificated Form and no physical share certificate(s) will be issued and dispatched.

Please refer to the section headed "Important Information about our Company under USM Regime" in this prospectus for further details about the changes and the impact to you including how to set up an USI profile.

Please refer to our website at **www.sinotau.com** and a dedicated USM Matters page **https://dev.vn.euroland.com:8148/en/investorrelations/uncertificated-securities-market/** which contain the Company's information in relation to our Company's participating securities under the USM Rules.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 50 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
50	3,434.29	800	54,948.62	7,000	480,800.45	100,000	6,868,578.00
100	6,868.57	900	61,817.20	8,000	549,486.25	125,000	8,585,722.50
150	10,302.88	1,000	68,685.78	9,000	618,172.02	150,000	10,302,867.00
200	13,737.16	1,500	103,028.66	10,000	686,857.80	175,000	12,020,011.50
250	17,171.45	2,000	137,371.55	20,000	1,373,715.60	200,000	13,737,156.00
300	20,605.73	2,500	171,714.46	30,000	2,060,573.40	225,000	15,454,300.50
350	24,040.02	3,000	206,057.35	40,000	2,747,431.20	250,000	17,171,445.00
400	27,474.31	3,500	240,400.24	50,000	3,434,289.00	275,000	18,888,589.50
450	30,908.61	4,000	274,743.12	60,000	4,121,146.80	300,000	20,605,734.00
500	34,342.89	4,500	309,086.01	70,000	4,808,004.60	328,050[2]	22,532,370.13
600	41,211.47	5,000	343,428.90	80,000	5,494,862.40		
700	48,080.05	6,000	412,114.68	90,000	6,181,720.20		

Notes:

(1) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and Accounting and Financial Reporting Council ("**AFRC**") transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the ASR (for applications made through **White Form eIPO** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

(2) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE[1]

*If there is any change in the following expected timetable of the Global Offering, we will issue an announcement on the website of our Company at **www.sinotau.com** and the website of the Stock Exchange at **www.hkexnews.hk**.*

Date[1]

Hong Kong Public Offering commences . . . . . 9:00 a.m. on Monday, November 16, 2026

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2] . . . . . 11:30 a.m. on Thursday, November 19, 2026

Application lists open[3] . . . . . 11:45 a.m. on Thursday, November 19, 2026

Latest time for completing payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and giving **electronic application instructions** to HKSCC[4] . . . . . 12:00 noon on Thursday, November 19, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close[3] . . . . . 12:00 noon on Thursday, November 19, 2026

Expected Price Determination Date[5] . . . . . no later than 12:00 noon on Friday, November 20, 2026

Announcement of:

- the final Offer Price;
- the level of indications of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocations of the Hong Kong Offer Shares

to be published on the website of our Company at **www.sinotau.com**[6] and the website of the Stock Exchange at **www.hkexnews.hk** . . . . . no later than 11:00 p.m. on Monday, November 23, 2026

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function . . . . . no later than 11:00 p.m. on Monday, November 23, 2026 to 12:00 midnight on Sunday, November 29, 2026

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.sinotau.com**[6] and **www.hkexnews.hk**, respectively . . . . . no later than 11:00 p.m. on Monday, November 23, 2026

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from . . . . . Tuesday, November 24, 2026 to Friday, November 27, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from . . . . . 6:00 p.m. on Friday, November 20, 2026

Credit of allotted Shares into CCASS and applicant's USI profile in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before[7]. . . . . Monday, November 23, 2026

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially unsuccessful applications to be dispatched on or before[8]. . . . . Tuesday, November 24, 2026

Dealings in the H Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on . . . . . Tuesday, November 24, 2026

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions (collectively, "**Severe Weather Signals**") in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, November 19, 2026, the application lists will not open or close on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares – E. Severe Weather Arrangements" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel by giving **electronic application instructions** to HKSCC should refer to the section headed "How to Apply for Hong Kong Offer Shares – A. Application for Hong Kong Offer Shares" – 2. Application Channels in this prospectus.

(5) The Price Determination Date is expected to be on or before Friday, November 20, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and us by 12:00 noon on Friday, November 20, 2026, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on the websites forms part of this prospectus.

(7) Title to Shares will be effective starting from 8:00 a.m. on the Listing Date (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade prior to the time mentioned above do so entirely at their own risk.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our ASR at the time of collection. Any uncollected refund cheques will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

White Form e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. If you apply through the **White Form eIPO** service by paying the application monies through a single bank account, you may have **White Form** e-Refund payment instructions (if any) despatched to your application payment bank account. If you apply through the **White Form eIPO** service by paying the application monies through multiple bank accounts, you may have refund cheque(s) sent to the address specified in your application by ordinary post and at your own risk. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant provided by you. Part of your identification document number, or, if you are joint applicants, part of the identification document number of the first-named applicant provided by you may be printed on your refund cheque, if any. Such data may also be transferred to a third party for refund purposes. Your banker may require verification of your identification document number before encashment of your refund cheque, if any. Inaccurate completion of your identification document number may lead to a delay in encashment of, or may invalidate, your refund cheque.

For further information, applicants should refer to the section headed "How to Apply for Hong Kong Offer Shares – D. Credit of Allotted Shares and Refund of Application Monies" in this prospectus.

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting," "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus for details relating to the structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of severe weather and the dispatch of refund cheques.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this prospectus. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire prospectus carefully before making your investment decision. There are risks associated with any investment. ***In particular, we are a biotechnology company seeking a listing on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules****. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. There are unique challenges, risks and uncertainties associated with investing in companies like ours. Our Core Products are the products for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. Our Core Products are at the clinical development stage. We may continue to incur substantial costs and expenses in relation to research and development activities for the Core Products, and the Core Products may not be successfully developed or marketed. Your investment decision should be made in light of these considerations.*

OVERVIEW

We are dedicated to the development and commercialization of both diagnostic and therapeutic radiopharmaceuticals with considerable market potential. Founded in 2005, we had developed a staggered, indication-oriented pipeline comprising 13 assets as of the Latest Practicable Date, five of which were self-discovered and developed and three of which were self-developed by us. Our pipeline includes two Core Products, XTR008 and XTR004, as well as two Key Products, XTR003 and XTR006. XTR008 is a registrational-stage ^{177}Lu-labeled somatostatin receptor ("**SSTR**")-targeted radioligand for the treatment of neuroendocrine neoplasms ("**NENs**"). It is a generic version of Lutathera® and first of its kind to file an NDA as a Class 3 chemical drug to the NMPA and expected to receive the market approval in December 2026. Meanwhile, it is also being investigated as a Class 2.4 chemical drug in a Phase III clinical trial for SSTR-positive Grade 3 gastroenteropancreatic neuroendocrine tumors ("**G3 GEP-NETs**")/pheochromocytomas and paragangliomas ("**PPGLs**")/NENs of other origins, a new indication not yet covered by Lutathera® globally. Furthermore, we have obtained NMPA's IND approval for conducting Phase II clinical trials of XTR008 for meningioma in September 2026. XTR004 is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-myocardial perfusion imaging ("**MPI**"). XTR003 is currently the world's first and only ^{18}F-labeled myocardial fatty acid metabolism imaging agent for detecting myocardial viability. XTR006 is a ^{18}F-labeled tubulin associated unit ("**tau**")-targeted positron emission tomography ("**PET**") diagnostic radioligand for suspected mild cognitive impairment ("**MCI**") due to Alzheimer's disease ("**AD**") or AD dementia. These products were safeguarded by 12, 13, 15 and one granted patents as of the Latest Practicable Date, respectively. Except for five assets, which are in-licensed or acquired from third parties, we independently developed all other candidates.

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCTS OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

The following chart shows our product pipeline and summarizes the status of our commercialized product, as well as our selected product candidates under development, as of the Latest Practicable Date:

	Candidate[1] (Trade Name)	Radio-nuclide	Target	Drug classification[4] (Brand-name Drug)	Indication (Line of Treatment)	Development Stage[5]	Commercial Rights	Partners[7]	Origin Type[8]	Classification	MAH	Next Milestone
Oncology				Class 3[9] (Lutathera® by Novartis)	G1/G2 GEP-NETs (2L+)	NDA Submitted → NMPA	Global			Generic		To obtain NDA approval in December 2026
Oncology	★ XTR008	^{177}Lu	SSTR	Class 2.4	G3 GEP-NETs/PPGLs/NENs of other origins (2L+)	Phase III ongoing → NMPA	Global	INPC	Self-developed	Modified new drug		To complete Ph III in 2H 2028
Oncology				Class 2.4	Meningioma (1L+)	Phase II preparing → NMPA	Global			Modified new drug		To initiate Ph II in March 2027
Oncology	XTR015	^{64}Cu	SSTR	Class 3 (Detectnet® by RadioMedix/Curium)	NETs	Phase III trial ongoing → NMPA	Global	–	Self-developed	Generic		To complete Ph III patient enrollment in December 2026
Oncology	XTR024	^{225}Ac	SSTR	Class 1	G1/G2 GEP-NETs with ^{177}Lu-SSTR treated/G3 NETs/NECs (2L+)	NMPA	Global	–		Innovative		To submit IND application in Q4 2027
Oncology					Breast cancer (2L+)	NMPA	Global	–	Self-discovered and developed	Innovative		To submit IND application in Q4 2027
Oncology					ES-SCLC (1L maintenance, 2L)	NMPA	Global	–		Innovative		To submit IND application in Q4 2027
Oncology	XTR010	^{177}Lu	PSMA	Class 1	mCRPC (2L+)	Phase I/II ongoing → NMPA	Global	NIBIB	In-licensed	Innovative		To initiate the Ph II study of the Ph I/II in December 2026
Oncology	XTR020	^{18}F	PSMA	Class 3 (Posluma® by BED)	Prostate cancer	ANDA submitted → NMPA	China	BED	In-licensed	Generic	The Company	To obtain ANDA approval in Q4 2027
Oncology	XTR021	^{177}Lu	PSMA	Class 1	mCRPC (1L+)	Phase Ib/II ongoing → NMPA	Global	–	Self-discovered and developed	Innovative		To complete patient enrollment of the Ph Ib stage in March 2027
Oncology	XTR022	^{225}Ac	PSMA	Class 1	mCRPC (2L+)	NMPA+FDA	Global	–	Self-discovered and developed	Innovative		To submit IND application to the NMPA and the FDA in Q4 2027
Oncology	XTR012[2]	^{223}Ra	Phosphate	Class 4[6] (Xofigo® by Bayer)	mCRPC, symptomatic bone metastases and no known visceral metastases	ANDA submitted → NMPA	Global	–	Self-developed	Generic		To obtain ANDA approval in November 2026
Oncology	XTR025	^{177}Lu	Undisclosed	Class 1	Glioblastoma (1L+)	NMPA	Global	–	Self-discovered and developed	Innovative		To submit IND application in Q4 2027
NDD	XTR005 (歐皇寧®)	^{18}F	Aβ	Class 3 (Neuraceq® by Lantheus/LMI)	AD	Approval received	China	LMI	In-licensed	Generic		/
NDD	XTR006	^{18}F	Tau	Class 3 (TAUKLARIFY™ by Lantheus/Cerveau)	AD	Phase III trial ongoing → NMPA	China	Cerveau	In-licensed	Generic		To complete Ph III in Q4 2027
CVD	★ XTR004	^{18}F	Mitochondrial complex I	Class 1	Detection of myocardial ischemia	Phase III trial ongoing in China → NMPA	Global	BNU and others	Acquired	Innovative		To complete patient enrollment of Ph III in Q4 2027
CVD					Detection of myocardial ischemia	FDA	Global					To submit IND application to the FDA in December 2026
CVD					Detection of coronary microcirculatory dysfunction	NMPA	Global					To submit IND application in December 2026
CVD	XTR003[3]	^{18}F	FAA	Class 1	Detection of myocardial viability/metabolism	Phase IIb trial ongoing → NMPA	Global	–	Self-discovered and developed	Innovative		To complete patient enrollment of Phase IIb in Q2 2027

★ Core Product Therapeutic Diagnostic Clinical stages are not required by the NMPA

Abbreviations: NDD = neurodegenerative disease; CVD = cardiovascular disease; SSTR = somatostatin receptor; PPGL = pheochromocytoma and paraganglioma; PSMA = prostate-specific membrane antigen; PRRT = peptide receptor radionuclide therapy; Aβ = β-amyloid; Tau = tubulin associated unit; FFA = free fatty acids; NETs = neuroendocrine tumors; GEP-NETs = gastroenteropancreatic neuroendocrine tumors; NEN = neuroendocrine neoplasm; NEC = neuroendocrine carcinomas; ES-SCLC = extensive-stage small cell lung cancer; mCRPC = metastatic castration-resistant prostate cancer; 2L = second-line treatment; AD = Alzheimer's disease; IND = investigational new drug; Ph = Phase; NDA = new drug application; ANDA = abbreviated new drug application; Q2 = the second quarter; Q4 = the fourth quarter; 2H = second half.

Notes:

(1) As of the Latest Practicable Date, XTR003 and XTR024 were the only pipeline products under clinical development as a combination therapy. XTR003 is currently developed in combination with ^{18}F-FDG imaging for the detection of coronary artery disease with left ventricular dysfunction. XTR024 is currently developed in combination with or without combination with chemotherapy and/or checkpoint inhibitor for ES-SCLC treatment. In addition, we received IND approval from the NMPA for conducting Phase II clinical trials of XTR008 to investigate its potential as a monotherapy or in combination with anti-VEGF antibodies for meningioma. All other pipeline products were being developed as monotherapies or standalone diagnostic agents.

(2) XTR012 is the only product candidate in our pipeline that is not a radioligand. It consists of ^{223}Ra-dichloride, a calcium mimetic with a natural affinity for bone tissue. Additionally, as a generic version of Xofigo® by Bayer, XTR012 is the only candidate in our pipeline that does not require clinical trials to demonstrate safety and efficacy for marketing approval.

(3) The targeting ligand of XTR003 is a free fatty acid analog that leverages the myocardium's fatty acid metabolism to assess myocardial viability. XTR003 enters cardiac cells through fatty acid transport proteins and CD36 receptors, both of which play key roles in mediating the uptake of free fatty acids into myocardial tissue.

(4) In China, drugs regulated as chemical drugs are generally classified by the NMPA into Class 1 (innovative drugs not marketed globally), Class 2 (improved new drugs), (Class 2.4 (a known drug for new indication)), Class 3 (overseas-marketed brand-name drugs not yet approved in China), Class 4 (generic drugs), and Class 5 (imported drugs)). For a more detailed discussion, see "Regulatory Overview."

(5) Certain clinical stages of our product candidates, including XTR008, XTR006, XTR015, XTR012 and XTR020, were not required by the NMPA, according to our communication with the NMPA. For details regarding the clinical development process and material communications with the NMPA, see "Business – Material Communications with Competent Authorities" and "Business – Summary of Clinical Trial Results" under the introduction of each product candidate.

(6) In China, Class 4 chemical drug are generally approved under an abbreviated marketing approval pathway, which requires sponsors to demonstrate pharmaceutical equivalence, quality consistency, and bioequivalence with the brand-name drug, together with compliance with the generic quality and efficacy consistency evaluation requirements. XTR012, as a generic version of Xofigo®, is not required by the NMPA to conduct clinical trials to investigate the safety and efficacy according to communications with the NMPA. Based on the approval of Xofigo® in China as well as the data demonstrating that XTR012 has the same quality as Xofigo®, we submitted the ANDA of XTR012 for the treatment of bone metastases from prostate cancer to the NMPA in February 2025.

(7) We have entered into collaboration agreements with multiple partners, including Life Molecular Imaging Ltd. ("**LMI**"), Institute of the Nuclear Physics and Chemistry, China Academy of Engineering Physics (the "**INPC**"), Cerveau Technologies Inc. ("**Cerveau**"), Beijing Normal University ("**BNU**"), and Blue Earth Diagnostics Limited ("**BED**"), regarding intellectual property rights of commercialized product XTR005, as well as the product candidates XTR008, XTR006, XTR004, and XTR020. In addition, we also entered into an agreement with the National Institute for Biomedical Imaging and Bioengineering ("**NIBIB**"), as represented by the National Heart, Lung, and Blood Institute's Office of Technology Transfer and Development, which are institutes within the National Institutes of Health of the U.S., to in-license exclusive global rights related to XTR010. For details concerning the terms of the collaboration agreements related to our Core Products XTR008 and XTR004 and Key Product XTR006, see "Business – Collaboration Arrangements." For additional information regarding the collaboration arrangements related to XTR010, XTR020 and XTR005, see "Business – Product Candidates – XTR010 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy – Licenses, Rights and Obligations", "Business – Product Candidates – XTR020 – ^{18}F-labeled PSMA-targeted PET Tracer – Licenses, Rights and Obligations," and "– Marketed Products – XTR005," respectively.

(8) "Self-developed" refers to a product candidate that was not originally discovered by us, but for which we independently initiate, advance, and independently make decisions on for subsequent pharmaceutical development and clinical research. "Self-discovered" refers to a product candidate that was originally discovered by us.

(9) XTR008 is developed as a generic version of Lutathera®. We have submitted the NDA of XTR008 for the treatment of SSTR-positive G1 or G2 GEP-NETs as a Class 3 chemical drug to the NMPA, and have been developing it as a Class 2.4 chemical drug in a Phase III clinical trial for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. We have also received IND approval from the NMPA for XTR008 for the treatment of meningioma as a Class 2.4 chemical drug. The major differences between XTR008 and Lutathera® mainly lie in the following aspects: (1) XTR008 is prepared using carrier-free ^{177}Lu, whereas Lutathera® uses carrier-added ^{177}Lu during clinical trials. Compared to carrier-added ^{177}Lu, carrier-free ^{177}Lu has higher specific activity, which is more favorable for improving the quality of ^{177}Lu-labeled radioligands and is also more suitable for long-distance transportation; and (2) Given the significant differences in the epidemiology and clinical practice of NETs between China and western countries, the pivotal clinical trial design of XTR008 also differs from that of Lutathera®. For details, see "Business – Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand."

Source: Company data

Business Model

Our core business model involves developing and commercializing radiopharmaceuticals in our strategically focused areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases. We employ a flexible R&D approach combining internal discovery and in-licensing arrangements, which allows us to efficiently identify, acquire, and advance differentiated radiopharmaceutical assets, with a particular focus on those with the potential to be first-to-market in China, first-in-class, or best-in-class.

We have established three in-house manufacturing facilities, including one located in Wuxi, Jiangsu Province, one located in Zhongshan, Guangdong Province and one in Mianyang, Sichuan Province. As of the Latest Practicable Date, these facilities had a total gross floor area ("**GFA**") of over 40,000 sq.m., housing a total of 21 commercial-scale production lines. We strive to maintain a stable and diversified supply of radionuclides by leveraging both in-house production capability and collaboration relationships with trusted radionuclide suppliers.

To support product commercialization, we pursue a strategy comprising both direct sales and external partnerships. We believe this model will enable us to maximize the value of our assets, efficiently scale our operations, and manage development risks in a cost-effective manner.

Our Pipeline

Core Product – XTR008

XTR008 (Lutetium (^{177}Lu) oxodotreotide injection) is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand being developed for the treatment of NENs. XTR008 is a generic version of Lutathera® and first of its kind to file an NDA as a Class 3 chemical drug to China NMPA, and it is expected to receive market approval in December 2026. Meanwhile, it is also being investigated as a Class 2.4 chemical drug in a pivotal Phase III clinical trial for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, a new indication that is not yet covered by Lutathera® or any SSTR-targeted radioligand currently approved or under clinical development globally. For details regarding the mechanism of action of XTR008, see "Business – Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Mechanism of Action." It is potentially the first SSTR-targeted therapeutic radioligand in China, with NDA approval anticipated in December 2026. We have observed remarkable efficacy and safety of XTR008 in our registrational Phase III clinical trial. Interim results of the clinical trial demonstrated that the XTR008 treatment group significantly outperformed the control group receiving standard treatment of high-dose somatostatin long-acting repeatable ("**LAR**") in terms of multiple efficacy indicators, including progression-free survival ("**PFS**") and overall response rate ("**ORR**"). For detailed analysis of competitive advantages of XTR008 comparing to peer products, see "Business – Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Key Barriers of XTR008."

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We completed a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, encompassing lung-NEN, thymus-NEN, NEN of other origins, and cancer of unknown primary – neuroendocrine neoplasm ("**CUP-NEN**"). We have received the regulatory clearance from the NMPA for conducting a pivotal Phase III clinical trial in March 2026, and initiated the pivotal Phase III clinical trial in June 2026. Following the IND approval of XTR008 for meningioma in September 2026, we also plan to initiate a Phase II clinical trial in China in March 2027.

Addressable Market and Competition

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. According to CIC, the incidence of NEN globally and in China is forecasted to increase from 576,000 and 61,800, respectively, in 2025, to 771,600 and 74,300, respectively, in 2036. GEP-NENs are a heterogeneous and complex group of tumors that originate from cells of the diffuse neuroendocrine system and are commonly found in the intestine, pancreas, and bronchopulmonary system. As a major subtype of NENs, GEP-NETs account for approximately 65% to 75% of all NENs and approximately 80% of GEP-NETs overexpress SSTRs. Globally, the incidence of advanced SSTR-positive G1/G2 GEP-NETs was approximately 142.5 thousand cases in 2020, increased to approximately 171.6 thousand cases in 2025, and is projected to reach approximately 229.9 thousand cases in 2036. The treatment penetration rate of therapeutic radioligands among patients with advanced SSTR-positive G1/G2 GEP-NETs globally was approximately 1.5% in 2025 and is expected to increase to approximately 20% in 2036. In China, the incidence of advanced SSTR-positive G1/G2 GEP-NETs was approximately 15.9 thousand cases in 2020, increased to approximately 18.4 thousand cases in 2025, and is projected to reach approximately 22.1 thousand cases in 2036. The treatment penetration rate of therapeutic radioligands among patients with advanced SSTR-positive G1/G2 GEP-NETs in China was nil in 2025, as no therapeutic radioligand had been approved for this indication, and is expected to reach approximately 40% in 2036.

As of the Latest Practicable Date, Lutathera® was the only radioligand therapy that received full marketing approval for the treatment of GEP-NETs on a global scale. It was first approved by the FDA in 2018 in combination with somatostatin LAR for adults with SSTR-positive GEP-NETs. It is currently under Phase III clinical development for the treatment of SSTR-positive G1 and G2 advanced GEP-NETs in China. As of the Latest Practicable Date, nine SSTR-targeted therapeutic radioligands were under Phase III or later-stage clinical development globally. XTR008, with its NDA accepted by the NMPA, stands out as the most clinically advanced product candidate in China. For details regarding the competitive landscape of SSTR-targeted therapeutic radioligands, see "Industry Overview – Major Indications – NEN – Treatment of NEN."

Core Product – XTR004

XTR004 (Flormotridaz (^{18}F) injection), a Core Product, is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. It is designed to detect myocardial ischemia due to flow-limiting stenoses in epicardial arteries and/or coronary microvascular dysfunction ("**CMD**"). For details regarding the mechanism of action of XTR004, see "Business – Product Candidates – Core Product – XTR004 – ^{18}F-labeled mitochondrial complex I-targeted PET-MPI Tracer – Mechanism of Action." We have completed a Phase I clinical trial and two Phase II clinical trials for XTR004 and initiated the Phase III trial in November 2025. We plan to complete patient enrollment of the Phase III clinical trial in the fourth quarter of 2027. We are also currently conducting preclinical studies to explore the potential of XTR004 in coronary microvascular dysfunction detection. We plan to submit the IND application for detecting coronary microcirculatory dysfunction to the NMPA in December 2026. We also plan to initiate clinical development of XTR004 for detecting flow-limiting stenosis in patients with suspected or known stable CAD in the U.S. and submit the IND application to the FDA in December 2026.

The completed Phase I and Phase II clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR004. As the first and only PET-MPI tracer under clinical development in China, we believe XTR004 could provide clinicians with a more accurate and reliable method to diagnose myocardial ischemia and guide treatment decisions. Meanwhile, it has the potential to address the clinical challenges associated with the excessive use of coronary angiography and interventional treatments, especially stent implantation, thus reducing both patient suffering and the financial burden of unnecessary procedures.

Addressable Market and Competition

According to CIC, the number of coronary artery disease ("**CAD**") patients globally and in China amounted to 317.3 million and 11.6 million, respectively, in 2025 and is expected to reach 323.8 million and 12.4 million, respectively, in 2036. Although structural imaging such as coronary computed tomography angiography ("**CTA**") and coronary angiography visualize coronary anatomy and detect stenosis, it cannot determine if a luminal narrowing causes ischemia. Functional measurement – including stress echocardiography, single photon emission computed tomography ("**SPECT**") imaging, PET imaging, cardiovascular magnetic resonance ("**CMR**"), and pressure wire-based fractional flow reserve ("**FFR**") measurement – assesses the physiological impact of flow-limiting lesions by evaluating myocardial perfusion or hemodynamic significance. Compared to structural imaging, functional measurement more accurately identifies ischemia, improves risk stratification, and guides treatment decisions, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction. Moreover, coronary angiography, as an invasive procedure, is considered necessary only if non-invasive tests demonstrate a high likelihood of CAD. Pressure wire-based FFR measurement is also an invasive procedure, which carries risks and is technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy.

In 2025, the average daily number of PET-MPI procedures globally was approximately 1.7 thousand. As of the Latest Practicable Date, no PET-MPI radiotracers had been approved in China, and PET-MPI procedures were primarily performed using hospital-prepared radiotracers, such as 13N-ammonia. By 2030, the average daily number of PET-MPI procedures is expected to reach approximately 4.2 thousand globally and 0.1 thousand in China (equivalent to approximately 35.3 thousand procedures annually in 2030 in China), accounting for approximately 7.5% and 12.3% of total radionuclide MPI procedures in their respective markets, respectively. In 2025, the average daily number of SPECT-MPI procedures was approximately 47.9 thousand globally and 0.4 thousand in China (equivalent to 148.4 thousand procedures annually in 2025 in China). By 2030, the corresponding average daily procedure volumes are expected to reach approximately 51.8 thousand globally and 0.7 thousand in China (equivalent to 250.8 thousand procedures annually in 2030 in China), accounting for approximately 92.5% and 87.7% of total radionuclide MPI procedures in their respective markets, respectively.

Both SPECT-MPI and PET-MPI are recommended CAD diagnostic methods for functional circulatory system measurement for patients with intermediate likelihood of coronary symptoms, while PET-MPI provides higher spatial resolution, advanced attenuation correction, and the ability to quantify myocardial blood flow. The projected PET-MPI procedure volumes globally and in China represent the directly addressable market for XTR004, while the substantial existing SPECT-MPI procedure volumes represent a broader potential market opportunity. As both modalities serve the same clinical need for non-invasive assessment of myocardial perfusion and ischemia, the increasing adoption of PET-MPI, driven by its superior diagnostic accuracy and ability to quantify myocardial blood flow, may facilitate a gradual transition from SPECT-MPI to PET-MPI, thereby expanding the potential market demand for XTR004.

In China, in comparison, PET-MPI is less commonly used than in developed countries but offers significant advantages over clinically applicable SPECT-MPI, including higher sensitivity in evaluating multi-vessel disease and microvascular dysfunction due to higher spatial resolution, more precise attenuation correction, and the ability to quantify myocardial blood flow. PET imaging can also assess myocardial flow reserve ("**MFR**") under both resting and stress conditions. This capability helps reduce unnecessary coronary angiography and fractional flow reserve testing, improving diagnostic accuracy and guiding treatment decisions, while also shortening examination time and supporting broader clinical adoption. However, in China, the adoption of PET-MPI may be constrained by limited reimbursement coverage for PET/CT imaging, relatively high out-of-pocket costs, and the availability of PET/CT equipment and qualified nuclear medicine facilities.

XTR004 potentially competes with several SPECT tracers, which have been approved for over three decades, and there were four types of approved PET-MPI tracers for CAD in the U.S. as of the Latest Practicable Date. As of the Latest Practicable Date, our Core Product XTR004 was the first and only PET-MPI tracer under clinical development in China. For details regarding the competitive landscape of radionuclide myocardial imaging PET tracers, see "Industry Overview – Major Indications – CAD."

Key Product – XTR003

XTR003 (Florcicaper (^{18}F) injection) is currently the world's first and only ^{18}F-labeled myocardial fatty acid metabolism imaging agent for detecting myocardial viability. For details regarding the mechanism of action of XTR003, see "Business – Product Candidates – Key Product – XTR003 – World's First and Only PET Tracer for Myocardial Fatty Acid Metabolism Imaging – Mechanism of Action." It is the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development. We have completed a Phase I clinical trial in healthy subjects and a Phase II clinical trial of XTR003/^{18}F-fluorodeoxyglucose ("**FDG**") combined imaging. The completed clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR003. Based on results of the Phase II clinical trial, the fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging has comparable ability for the detection of viable myocardium to that of glucose-loaded ^{18}F-FDG PET myocardial metabolism imaging, with all image quality ratings meeting clinical diagnostic requirements. We received ethics committee approval to conduct the Phase IIb clinical trial in November 2025 and enrolled the first patient for the study in December 2025. As of the Latest Practicable Date, a total of 18 patients had been enrolled in this clinical trial and we expect to complete patient enrollment in the second quarter of 2027. Upon completion of the Phase IIb development and receipt of regulatory clearance from the NMPA, we expect to initiate a Phase III clinical trial in the first half of 2028.

According to CIC, the number of CAD patients worldwide requiring coronary artery bypass grafting or percutaneous coronary intervention is expected to increase from 16.2 million in 2025 to 38.0 million in 2036. In China, the number of CAD patients requiring these procedures is expected to increase from 1.8 million in 2025 to 2.7 million in 2036.

As of the Latest Practicable Date, our Key Product XTR003 stands out as the first and only PET myocardial fatty acid metabolism imaging agent in China and globally.

Key Product – XTR006

XTR006 (Florquinitau (^{18}F) injection) is a ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. For details regarding the mechanism of action of XTR006, see "Business – Product Candidates – Key Product – XTR006 – ^{18}F-labeled Tau-targeted PET Tracer – Mechanism of Action." It has the potential to serve as a powerful precision diagnostic tool for distribution and quantitative assessment, providing accurate insights to guide AD treatment decisions. Results from clinical trials have shown promising safety and efficacy profile of XTR006. Specifically, data from our Phase I clinical trial in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group. As of the Latest Practicable Date, we were investigating XTR006 in a Phase III clinical trial, and expect to complete the trial in the fourth quarter of 2027.

Epidemiological data indicate that the number of individuals with MCI in China is expected to increase from 52.6 million in 2025 to 82.2 million in 2036. Similarly, the prevalence of AD and other dementias ("**ADOD**") is projected to rise from 18.9 million in 2025 to 27.2 million in 2036. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. These numbers are expected to grow substantially with the aging population.

As of the Latest Practicable Date, there were two pathology-targeted PET tracers (XTR005 and ^{18}F-Florbetapir) approved for the diagnosis of AD in China. As of the Latest Practicable Date, there were six pathology-targeted PET tracers under clinical development in China, including three targeting tau protein. With the launch of our XTR005 in 2025 and our Key Product XTR006 advancing to the Phase III clinical stage, we are positioned as the most clinically advanced player in the Chinese market targeting both Aβ and tau for AD diagnosis. For details regarding the competitive landscape of pathology-targeted PET tracers, see "Industry Overview – Major Indications – AD."

Other Product Candidates

XTR015 is ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. XTR015 is the first ^{64}Cu-labeled SSTR-targeted PET radioligand to receive IND in China. We initiated patient enrollment of a registrational Phase III clinical trial of XTR015 in March 2026, and plan to complete patient enrollment of this trial in December 2026.

XTR010 is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. Its mechanism of action was validated by the successful commercialization of Pluvicto®. Different from Pluvicto®, XTR010 incorporates a structurally optimized targeting ligand that enhances tumor uptake with a reduced radionuclide dose. As of the Latest Practicable Date, XTR010 stood out as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China and we were advancing XTR010 in a Phase I/II clinical trial. We completed the Phase I study of the Phase I/II clinical trial in September 2026. We plan to initiate the Phase II study of the Phase I/II clinical trial in December 2026, and complete patient enrollment of the Phase II study in the fourth quarter of 2027.

XTR021 is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC self-discovered and developed by us. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). As of the Latest Practicable Date, XTR021 was investigated under an IIT in patients with PSMA-positive mCRPC in China. We obtained IND approval for conducting Phase I and Phase II clinical trials for PSMA-positive mCRPC from the NMPA in June 2026. We initiated a Phase Ib study of a Phase Ib/II clinical trial, and expect to complete patient enrollment of the Phase Ib study in March 2027.

XTR012 is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from prostate cancer. XTR012 is a generic version of Xofigo® developed by Bayer, which offers targeted, dual-action therapy with effective tumor cell killing while preserving bone structure. We have submitted an ANDA for XTR012 to the NMPA and expect to receive marketing approval in November 2026, making it potentially the first approved domestically-developed radiopharmaceutical for bone metastases from prostate cancer in China and the first approved domestically-developed α-emitting radiopharmaceutical in China.

XTR020 (Flotufolastat (^{18}F) injection) is a ^{18}F-labeled PSMA-targeted PET radioligand for the diagnosis of prostate cancer. XTR020 binds selectively to PSMA-expressing cells, enabling highly sensitive detection of primary and metastatic lesions through PET imaging. In-licensed from BED, XTR020 (or ^{18}F-Flotufolastat injection) has demonstrated excellent clinical performance in two Phase III clinical trials conducted by BED in the U.S. We have completed patient enrollment in the Phase III clinical trial, and the trial reached its primary endpoint in January 2026. We submitted the ANDA to the NMPA in March 2026 and expect to receive the approval in the fourth quarter of 2027.

Furthermore, we are developing several other innovative radioligand candidates, including XTR022, XTR024 and XTR025, which are currently in IITs in China. For details of each product candidates, see "Business – Product Candidates."

Marketed Products

As of the Latest Practicable Date, we had launched three products, XTR005 (marketed under the tradename 歐韋寧®), adenosine injection (marketed under the tradename 歐達樂®) and ^{18}F-FDG injection in China. For detailed information, see "Business – Marketed Products."

Our radiopharmaceuticals utilize various radionuclides with distinct properties. For detailed information, see "Business – Summary of Radionuclides."

Our Technology Platforms

We have strategically established our proprietary technology platforms, recognizing the distinct characteristics of development of radiopharmaceuticals compared to other drug modalities. By harnessing these technology platforms, we can advance candidates with the potential to become precision-targeted, clinically-active and commercially-viable radiopharmaceuticals. For details regarding technology platforms, see "Business – Our R&D Platforms."

Radiopharmaceutical Discovery. Our precursor design and optimization platform focuses on enhancing druggability and clinical translation by integrating key parameters such as pharmacokinetics, physicochemical properties and tissue distribution into compound design and optimization. In addition, our therapeutical radioligand screening platform encompasses the identification and optimization of targeting ligands and linkers, *in vitro* activity screening, radiolabeling and *in vivo* efficacy validation.

Radiopharmaceutical Development. Considering the unique nature of radiopharmaceuticals and the highly inter-disciplinary approach required for their development, we have established specialized technology platforms across all key stages of radiopharmaceutical development, comprising medical radioisotope development platform, radiochemistry labeling technology platform, precursor development technology platform, radiopharmaceutical kit development technology platform, quality control and analytical technology platform and imaging platform (preclinical stage).

Radiopharmaceutical Clinical Research. Radiopharmaceutical is characterized by its ability to be noninvasively visualized and quantified. Due to its unique emission property from radioactive decay, pharmacokinetic assessment of these agents differ fundamentally from those of conventional drugs. To address these challenges, we have established multiple dedicated radiopharmaceutical clinical research platforms, including pharmacology analysis platform, radiation dosimetry platform, imaging platform (clinical stage) and translational medicine platform.

Theranostics Development Platform. The theranostic development platform integrates the development of diagnostic and therapeutic radioligands, achieving a seamless diagnosis-therapy continuum. Diagnostic radioligands serve as important tools in target validation, patient selection and monitoring treatment responses for therapeutic radioligands, enhancing our R&D efficiency.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors: radiopharmaceutical-focused developer with end-to-end capabilities spanning the entire industry value chain; a comprehensive, differentiated and synergistic product matrix with significant potential in radiotheranostics; fully-integrated radiopharmaceutical R&D capabilities empowered by robust infrastructure, proprietary technology platforms and a high-caliber and multi-disciplinary team of talent; GMP-standard commercial-scale in-house manufacturing capability, ensuring cost efficiency and reinforcing our early-mover advantage; a dual-pillar commercialization strategy underpinned by strong commercial capabilities to propel our sustainable growth; and visionary and experienced management team with deep industry insights and multi-disciplinary expertise, backed by support from prominent investors.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: rapidly advance the development of our product candidates; further strengthen our manufacturing and commercial capabilities; continue to enhance our R&D capabilities and further expand our pipeline; and optimize our operation system and continue to attract and retain talent.

RESEARCH AND DEVELOPMENT

We consistently devote resources to research and development to pave the way for long-term growth. Our research and development expenses for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026 amounted to RMB228.0 million, RMB237.5 million, RMB106.9 million and RMB156.6 million, respectively, accounting for 63.5%, 54.3%, 52.6% and 61.4%, of our total operating expenses (i.e. research and development expenses, selling and distribution expenses and administrative expenses) in the respective period. Our research and development expenses attributable to our Core Products were RMB87.5 million, RMB73.1 million, RMB37.4 million and RMB57.4 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 38.4%, 30.8%, 35.0% and 36.7% of our total research and development expenses, and 24.4%, 16.7%, 18.4% and 22.5% of our total operating expenses in the respective period.

The development of radiopharmaceuticals requires highly specialized expertise and qualifications. We have assembled a professional team with the necessary expertise to meet these requirements. As of the Latest Practicable Date, we have established a dedicated in-house R&D team of 253 employees. The functions of our R&D team span the entire spectrum of druggability evaluation, preclinical research, clinical study and regulatory affairs. Core members of our R&D team include Mr. WANG Peng, Dr. JIN Yun, Ms. LIU Shuang and Dr. YANG Guogui. All our core R&D team members have been with us throughout the Track Record Period and up to the Latest Practicable Date.

MANUFACTURING

As of the Latest Practicable Date, we had three production facilities for the manufacturing of our products, product candidates and radionuclides, as well as providing CDMO services, including one located in Wuxi, Jiangsu Province and one located in Zhongshan, Guangdong Province and one in Mianyang, Sichuan Province. As of the Latest Practicable Date, these production facilities had an aggregate GFA of over 40,000 sq.m., housing a total of 21 commercial-scale production lines (with four having obtained production licenses and passed GMP compliance inspections).

Leveraging our radiopharmaceutical manufacturing facilities located in Guangdong, Jiangsu, and Sichuan Provinces, we have built strong regional coverage for diagnostic radiopharmaceuticals. Our manufacturing facilities in the Pearl River Delta and Yangtze River Delta have achieved stable coverage of these two core markets. The Tianjin facility currently under construction is expected to fill the coverage gap in the Beijing-Tianjin-Hebei region, thereby establishing an integrated supply network across China's three major regional markets. Supported by our Mianyang facility in Sichuan Province, we have also established nationwide manufacturing and distribution capabilities for therapeutic radiopharmaceuticals.

Our Zhongshan facility in Guangdong Province and Wuxi facility in Jiangsu Province are equipped with IBA Cyclone® Kiube cyclotrons, which have maintained stable operations and provide sufficient radionuclide supply for diagnostic radiopharmaceutical production. In particular, the Zhongshan facility has established a solid-target radionuclide R&D and manufacturing platform with large-scale in-house production capabilities for radionuclides such as ^{64}Cu, ^{89}Zr, and ^{68}Ga. In addition, each manufacturing base is equipped with multiple radiopharmaceutical production lines and automated synthesis and dispensing systems, quality control laboratories, and cold-chain storage facilities. Collectively, these facilities provide end-to-end capabilities spanning radionuclide production, synthesis, dispensing, quality inspection, warehousing, and distribution, enabling precise manufacturing and regional dispatch of radiopharmaceuticals within the radionuclide decay window and ensuring efficient delivery from production to clinical application.

MARKETING AND SALES

We adopt different sales channels based on the characteristics of our products and relevant commercial considerations, rather than regulatory requirements. We commenced sales of XTR005 (歐韋寧®) in January 2025 and sell XTR005 directly to healthcare institutions in China due to its short shelf life and the need for timely production and delivery. We also sell 歐達樂®, a non-radiopharmaceutical product, to distributors, which distribute such products to hospitals in China. We expect to continue adopting direct sales as the primary sales channel for our radiopharmaceutical product candidates upon commercialization. As the radiopharmaceutical market matures and our sales scale expands, we may also engage distributors with suitable delivery capabilities to serve certain markets, particularly regions beyond the coverage of our facilities, taking into account factors such as costs, delivery distances and product shelf lives. For further details, see "Business – Marketing and Sales – Sales." Our in-house sales and marketing team is primarily responsible for the promotion of our products through various marketing activities and sales through different channels in China. As of the Latest Practicable Date, our in-house sales and marketing team included 219 employees.

ROLES AND OBLIGATIONS OF PARTIES INVOLVED IN THE MANUFACTURING AND DELIVERY OF RADIOPHARMACEUTICALS

Due to the short half-life of radionuclides, radiopharmaceuticals require a just-in-time turnaround from the moment a personalized customer order is placed. This demands seamless coordination among all parties involved in manufacturing and delivery. For details, see "Business – Roles and Obligations of Parties Involved in the Manufacturing and Delivery of Radiopharmaceuticals."

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 28 registered trademarks in the PRC and two domain names, which we consider to be material to our business. As of the Latest Practicable Date, we held 129 registered patents including 120 registered patents in China, two registered patents in the U.S., and seven registered patents in other jurisdictions and 120 patent applications including 52 patent applications in China, 13 patent applications in the U.S., 51 patent applications in other jurisdictions, and four patent applications under PCT. As of the Latest Practicable Date, for our Core Products, we held 25 registered patents, 23 of which are registered in China and two are registered in Japan, and 18 patent applications including 14 patent applications in China, two patent applications in the U.S. and two patent applications in Europe. As of the Latest Practicable Date, we in-licensed 18 registered patents and four patent applications, including one in-licensed patent in connection with our Key Product XTR006. For further details, please see "Business – Intellectual Property."

FTO Analysis

In general, the IP Legal Adviser is of the view that the likelihood of XTR008 infringing any third-party patent rights is remote in the Chinese Mainland. Nevertheless, during the FTO analysis, the IP Legal Adviser identified two pending invention patent applications from third parties directed to certain non-critical manufacturing processes of ^{177}Lu-DOTATATE with broad claimed scopes of patent protection, and our current manufacturing process for XTR008 falls within the current scope of these two pending invention patent applications (the "**Concerned Patent Applications**"). As of the Latest Practicable Date, one of the Concerned Patent Applications had not been issued any substantive examination opinion regarding its patentability by the China National Intellectual Property Administration ("**CNIPA**"). Based on the analysis of the pending claims as of Latest Practicable Date, the relevant prior art and the prosecution history of the Concerned Patent Application, the IP Legal Adviser is of the view that as of the Latest Practicable Date, the risk that Concerned Patent Application will subsequently be granted and ultimately prevent the freedom to operate of the XTR008 process in Chinese Mainland is remote. Under the highly unlikely worst-case scenario where the Concerned Patent Application is granted with a scope that covers the current manufacturing process of XTR008, we would implement an alternative manufacturing process, and we do not expect the alternative process to result in any material increase in the production cost of XTR008. For detailed information, see "Business – Intellectual Property." The other Concerned Patent Application received a Notice of Deemed Withdrawal from the CNIPA on 14 July 2026, which will be deemed withdrawn in Chinese Mainland and will no longer proceed to further examination or be capable of being granted as a patent, if the applicant fails to reinstate the application in a timely manner. Based on the analysis of the relevant prior art and the prosecution history of the Concerned Patent Application, the IP Legal Adviser is of the view that as of the Latest Practicable Date, the risk that the Concerned Patent Application will subsequently be granted and ultimately prevent the freedom to operate of the XTR008 process in Chinese Mainland is remarkably remote.

OUR CUSTOMERS

Our customers primarily consist of healthcare institutions and distributors which directly purchase pharmaceutical products and radionuclides from us, and pharmaceutical enterprises which purchase CRO or CDMO services from us. In 2024, 2025 and the first half of 2026, our revenue generated from our five largest customers in each year/period during the Track Record Period in aggregate accounted for 93.3%, 56.5% and 44.5% of our total revenue in the respective year/period, respectively, and revenue generated from our largest customer alone in each year/period during the Track Record Period accounted for 44.0%, 15.7% and 24.0% of our total revenue in each respective year/period, respectively. To the best of the knowledge of our Directors, all of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest customers in each year/period during the Track Record Period. For further details, please see "Business – Customers."

OUR SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of (i) suppliers of raw materials (such as radionuclides, precursors and kits) and equipment; (ii) CROs and CMOs; (iii) collaboration partners and (iv) construction service providers for our facilities. In 2024, 2025 and the first half of 2026, our purchases from our five largest suppliers in each year/period during the Track Record Period in aggregate accounted for 26.1%, 21.9% and 20.1% of our total purchases in the respective year/period, respectively, and purchases from our largest supplier alone in each year/period during the Track Record Period accounted for 6.4%, 6.7% and 6.4% of our total purchases in each respective year/period respectively. To the best of the knowledge of our Directors, all of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers in each year/period during the Track Record Period. For further details, please see "Business – Suppliers."

SUMMARY OF MATERIAL COLLABORATION ARRANGEMENTS

XTR008 Agreements

Starting in July 2019, we entered into a series of agreements (the "**XTR008 Collaboration Agreements**") with the INPC to develop XTR008, i.e. ^{177}Lu-DOTATATE injection. INPC is an Independent Third Party. Pursuant to the XTR008 Collaboration Agreements, we are obligated to research, develop, manufacture and supply dotatate, help INPC in preparing site facilities and conditions to be in compliance with GMP requirements, developing drug processes, conducting quality testing in accordance with NMPA review requirements, preparing IND application materials, and conducting clinical trials. We

are also responsible for the sales and marketing of XTR008 in China. Upon obtaining marketing approval, we will be the sole MAH of XTR008. INPC shall assist us in submitting the relevant documents submitted to the NMPA. INPC is responsible for the preparation of ^{177}Lu and performing contract manufacturing of clinical samples. INPC has guaranteed that during the term of the agreement, it would not provide ^{177}Lu to another party for the production of ^{177}Lu-DOTATATE, and use research methods, processes, or results that infringe upon the intellectual property rights of any third party. Each party shall bear the costs incurred due to their respective research and development obligations.

After obtaining marketing approval for XTR008, we will pay INPC a royalty in the low-teen percentage of sales revenue for its intellectual property contribution, and a low-teen percentage of sales revenue for its manufacturing contribution. However, if the fair value price of ^{177}Lu exceeds the agreed price by 16%, we will, in addition to the two low-teen royalties, pay an agreed adjustment reflecting the increase in the fair value of ^{177}Lu.

The intellectual property rights arising from the XTR008 Collaboration Agreements shall be co-owned by both parties. The scope of jointly owned intellectual property between the parties is limited to (1) the radionuclide labeling technology for XTR008, (2) the aseptic filling technology for XTR008, and (3) the drug quality standards and testing methods for XTR008. As confirmed by INPC, except for the six jointly owned patents, there are no jointly owned intellectual property rights between the parties under the collaboration agreement in relation to XTR008, and these six co-owned patents are either defensive in nature and not used for XTR008, or can potentially be circumvented through alternative designs and therefore do not constitute significant barriers to XTR008.

The XTR008 Collaboration Agreements shall remain in effect for 20 years, unless terminated earlier. Either party may terminate the XTR008 Collaboration Agreements in the event of an uncured material breach by the other party, or if the other party independently develops or collaborates with a third party to develop a ^{177}Lu-DOTATATE injection.

Collaboration with INPC

Starting in July 2019, we entered into a series of agreements with the INPC to develop XTR008. INPC is an independent third party. During the collaboration, we have led and maintained full control over the development and manufacturing of XTR008 throughout its development to date, and expect to continue to lead and fully control its further development, manufacturing and commercialization. Our research and manufacturing did not rely on INPC and do not expect to rely on INPC in the future. For details regarding our historical R&D and manufacturing of XTR008, see "Business – Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Collaboration with INPC." The roles of INPC have been limited to providing supporting services associated with ^{177}Lu supply and XTR008 production during the clinical stage, and do not affect our independent control over the development of XTR008. For further details regarding INPC's supporting role under the XTR008 Collaboration Agreements, see "– Collaboration Arrangements – XTR008 Agreements." Nevertheless, INPC has been, and will remain as, the sole ^{177}Lu supplier for XTR008 for at least 12 to 18 months after the NDA approval of XTR008 for the treatment of G1 or G2 GEP-NENs in China. It is also the sole manufacturer of XTR008 and expected to remain so until at least 2028 before we complete the appointment of additional suppliers, which requires approximately 9 to 12 months due to the regulatory procedures for adding an additional manufacturing site, namely our Mianyang facility, after the NDA approval of XTR008 for the treatment of SSTR-positive G1/G2 GEP-NETs. Upon completion of the applicable regulatory procedures for including additional carrier-free ^{177}Lu suppliers for XTR008 and XTR008 manufacturer, we will be able to source carrier-free ^{177}Lu for XTR008 from both INPC and additional suppliers and manufacture XTR008 at both INPC and our Mianyang facility, for clinical trials and commercialization of XTR008. For our detailed plan, see "Business – Product Candidates – Core Product – XTR008 – Registrational-Stage ^{177}Lu-Labeled SSTR-Targeted Radioligand – Supply Chain and Contingency Plan." We do not plan to initiate regulatory procedures for adding carrier-free ^{177}Lu supplier(s) prior to XTR008 NDA approval, as such request would invite unnecessary inquiries, extend the timeframe of pivotal studies, and require additional resources and efforts for validation, which could potentially delay the clinical development process and adversely affect the clinical advancement of XTR008.

XTR004 Assignment Agreements

We initially in-licensed the exclusive global rights controlled by Dr. Fang Wei, a doctor at Fuwai Hospital, Chinese Academy of Medical Sciences who has never been an employee of us, and Beijing Normal University ("**XTR004 Assignors**") to research, develop, manufacture, and commercialize XTR004 in 2017, while the product was in preclinical stage. Starting in February 2021, we entered into a series of agreements (the "**XTR004 Assignment Agreements**") with XTR004 Assignors to acquire the exclusive global patent rights controlled by the XTR004 Assignors to research, develop, manufacture, and commercialize XTR004. The XTR004 Assignors are Independent Third Parties.

For details regarding the collaboration agreements, see "Business – Collaboration Arrangements."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this prospectus, as well as the information set forth in "Financial Information."

Summary Consolidated Statements of Profit or Loss and Comprehensive Income

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Revenue	44,064	99,210	36,908	61,254
Cost of sales	(40,686)	(84,187)	(24,887)	(43,267)
Gross profit	3,378	15,023	12,021	17,987
Other income and gains	100,980	81,210	26,744	18,726
Selling and distribution expenses	(24,353)	(57,219)	(18,077)	(37,970)
Impairment of financial and contract assets, net	(1,257)	(5,938)	(3,812)	(1,369)
Administrative expenses	(106,591)	(142,822)	(78,350)	(60,640)
Research and development expenses	(227,982)	(237,523)	(106,873)	(156,554)
Change in fair value of redemption liabilities on equity shares	135,290	(250,023)	(147,838)	(309,830)
Share of (losses)/profits of associates	(8,111)	(1,304)	(650)	1,415
Other expenses	(341)	(4,974)	(3,236)	(1,102)
Finance costs	(10,732)	(7,971)	(2,400)	(3,320)
Loss before tax	**(139,719)**	**(611,541)**	**(322,471)**	**(532,657)**
Income tax expense	(16,397)	(6,867)	(5,708)	(1,283)
Loss for the year/period	**(156,116)**	**(618,408)**	**(328,179)**	**(533,940)**

Revenue

During the Track Record Period, we generated revenue from our (i) sales of goods, mainly including pharmaceutical products and radionuclides; (ii) licensing income, primarily including the upfront payments and milestone payments we received from Duality Biotherapeutics, Inc. For more details, please see "Business – Collaboration Arrangements;" (iii) provision of CRO/CDMO services to our customers; and (iv) provision of marketing services for a third-party pharmaceutical product.

The following table sets forth a breakdown of our revenue for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Sales of goods	3,742	38,009	12,815	39,825
– Adenosine injection	1,410	1,433	713	1,199
– Radionuclides	787	1,636	599	1,123
– XTR005 (^{18}F-Florbetaben Injection)	–	32,743	10,473	36,559
– Others[(1)]	1,545	2,197	1,030	944
Licensing income	6,703	15,590	13,412	–
CRO/CDMO services	27,160	42,888	7,991	21,068
Marketing services	6,459	2,723	2,690	361
Total	**44,064**	**99,210**	**36,908**	**61,254**

Note:

(1) Others refer to pharmaceutical products and other materials sold during the Track Record Period.

Our revenue increased by RMB55.1 million from RMB44.1 million in 2024 to RMB99.2 million in 2025, mainly due to (i) an increase of RMB34.3 million in sales of goods mainly as we recognized revenue from the sales of XTR005 (^{18}F-Florbetaben Injection) under the trade name 歐韋寧®; (ii) an increase of RMB15.7 million in CRO/CDMO services, which was in line with the expansion of our CRO/CDMO services; and (iii) the increase of RMB8.9 million in licensing income as we received an increased amount of payments in relation to our out-licensing arrangement. Our revenue increased from RMB36.9 million for the six months ended June 30, 2025 to RMB61.3 million for the six months ended June 30, 2026, mainly due to an increase of RMB27.0 million in sales of goods mainly attributable to the increased sales of XTR005 (^{18}F-Florbetaben Injection) under the trade name 歐韋寧®.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit or loss and gross margin for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(Unaudited)			
Sales of goods	(3,066)	(81.9)	2,724	7.2	758	5.9	12,973	32.6
Licensing income	6,703	100.0	15,590	100.0	13,412	100.0	–	–
CRO/CDMO services	13,557	49.9	613	1.4	641	8.0	4,653	22.1
Marketing services	(13,816)	(213.9)	(3,904)	(143.4)	(2,790)	(103.7)	361	100.0
Total	**3,378**	**7.7**	**15,023**	**15.1**	**12,021**	**32.6**	**17,987**	**29.4**

During the Track Record Period, our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to RMB3.4 million, RMB15.0 million, RMB12.0 million and RMB18.0 million in 2024 and 2025 and the first half of 2025 and 2026, respectively, with a gross profit margin of 7.7%, 15.1%, 32.6% and 29.4% in 2024 and 2025 and the first half of 2025 and 2026, respectively.

Our gross profit margin increased from 7.7% in 2024 to 15.1% in 2025, primarily due to (i) an increase in sales of goods. Since 2025, we recognized revenue from the sales of XTR005 (^{18}F-Florbetaben Injection), which had relatively higher gross profit margin compared to CRO/CDMO services and marketing services, and (ii) an increase in licensing income as we received upfront payments and milestone payments from our out-licensing activities. As there were no associated costs of sales for our out-licensing activities, our gross profit and gross margin improved substantially. In addition, as our CRO/CDMO services was still in the early stage and has yet to achieve economies of scale, the continued investments in this sector have led to an increase in our costs. As a result, the gross margin of CRO/CDMO services fluctuated in 2025. Our gross profit margin decreased from 32.6% in the first half of 2025 to 29.4% in the first half of 2026, primarily because we did not recognize any revenue from licensing income in the first half of 2026.

Our net loss increased significantly from RMB156.1 million in 2024 to RMB618.4 million in 2025, and from RMB328.2 million in the first half of 2025 to RMB533.9 million in the first half of 2026, primarily due to a change in fair value of redemption liabilities on equity shares from a gain of RMB135.3 million in 2024 to a loss of RMB250.0 million in 2025, and from a loss of RMB147.8 million in the first half of 2025 to a loss of RMB309.8 million in the first half of 2026, primarily due to an increase in the fair value of redemption liabilities on equity shares mainly attributable to our business expansion in 2025 and the first half of 2026.

Summary of Certain Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	942,990	987,888	802,819
Current assets	1,335,826	998,627	1,032,792
Current liabilities	3,247,865	3,595,064	3,997,772
Net current liabilities	(1,912,039)	(2,596,437)	(2,964,980)
Total assets less current liabilities	(969,049)	(1,608,549)	(2,162,161)
Non-current liabilities	201,656	158,278	143,943
Net liabilities	(1,170,705)	(1,766,827)	(2,306,104)

Our net current liabilities increased from RMB1,912.0 million as of December 31, 2024 to RMB2,596.4 million as of December 31, 2025, primarily due to (i) an increase of RMB330.0 million in redemption liabilities on equity shares, and (ii) a decrease of RMB256.5 million in time deposits. Our net current liabilities then increased to RMB2,965.0 million as of June 30, 2026, primarily due to (i) an increase of RMB379.8 million in redemption liabilities on equity shares, and (ii) a decrease of RMB107.5 million in cash and cash equivalents, partially offset by an increase of RMB135.7 million in time deposits.

Our net liabilities increased from RMB1,170.7 million as of December 31, 2024 to RMB1,766.8 million as of December 31, 2025, mainly attributable to the loss for the year of RMB618.4 million in 2025, partially offset by share-based payments of RMB25.9 million. Our net liabilities then increased to RMB2,306.1 million as of June 30, 2026, mainly attributable to the loss for the period of RMB533.9 million in the first half of 2026. As of December 31, 2024 and 2025 and June 30, 2026, we recorded redemption liabilities on equity shares of RMB3,094.3 million and RMB3,424.3 million and RMB3,804.1 million, respectively. The redemption liabilities on equity shares of our Company will be derecognized from liabilities as a result of the termination of all special rights upon the Listing, which will place us in a net asset position.

Summary of Consolidated Cash Flow Statements

The following table sets forth our consolidated statements of cash flows for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash flows used in operating activities	(276,745)	(333,586)	(191,386)	(227,568)
Net cash flows (used in)/generated from investing activities	(601,747)	275,071	151,853	62,584
Net cash flows generated from financing activities	559,519	39,274	23,909	61,060
Net decrease in cash and cash equivalents	(318,973)	(19,241)	(15,624)	(103,924)
Cash and cash equivalents at beginning of the year/period	790,824	471,878	471,878	449,054
Effect of foreign exchange rate changes, net	27	(3,583)	2,022	(3,530)
Cash and cash equivalents at end of the year/period	**471,878**	**449,054**	**458,276**	**341,600**

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we had net cash outflows from operating activities in an amount of RMB276.7 million, RMB333.6 million, RMB191.4 million and RMB227.6 million, respectively. Our net cash outflow from operating activities for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026 was primarily attributable to our loss before tax, which was primarily because we incurred significant research and development expenses and administrative expenses as a result of the business expansion and the development of our pipeline products during the Track Record Period. For more details, see "Financial Information – Liquidity and Capital Resources – Net Cash Flows Used in Operating Activities."

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, financial assets at FVTPL and time deposits as of June 30, 2026, and the estimated net proceeds from the Global Offering, as well as cash burn rate, we have available sufficient working capital to cover at least 125% of the Group's costs, including research and development expenses, selling and distribution expenses and administrative expenses, for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly amount of (i) net cash used in operating activities, and (ii) capital expenditures. Assuming an average cash burn rate going forward of 1.2 times the level in 2025, we estimate that our cash and cash equivalents, time deposits and financial assets at FVTPL as of June 30, 2026 and committed unutilized banking facilities as of September 30, 2026 will be able to maintain our financial viability for 24 months, or, if we also take into account the estimated net proceeds (based on the Offer Price of HK$52.0 per Share, being the low-end of the indicative Offer Price range), 30 months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

SUMMARY OF MATERIAL RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors." Some of the major risks we face include: (i) we rely on third parties, including INPC, to manufacture a portion of our products for clinical development and commercial sales, (ii) the just-in-time manufacturing of our radiopharmaceutical products and product candidates is subject to significant operational risks; (iii) the short shelf lives of our radiopharmaceutical products and product candidates impose stringent transportation and delivery requirements; (iv) we may become involved in lawsuits to protect or enforce our intellectual property, or we may be sued for infringing, misappropriating or otherwise violating the intellectual property rights of third parties, such as the two Concerned Patent Applications, if granted with claims covering the current manufacturing process for XTR008, which could be expensive, time-consuming and unsuccessful; (v) we face intense competition, including competition between XTR008, Lutathera® and other generic drug candidates of Lutathera® in Chinese Mainland and overseas markets, and our competitors may discover, develop or commercialize competing products faster or more successfully than we do, (vi) we work with various third parties to develop our product candidates, such as those who help us conduct our preclinical studies and clinical trials. These third parties may not successfully carry out their contractual duties or meet expected timelines, (vii) we may be unable to successfully complete clinical development, obtain regulatory approvals and achieve commercialization of our product candidates, or we may experience significant delays in doing any of the foregoing, (viii) we cannot guarantee that our research and development efforts will lead to successful outcomes, (ix) we or the parties on whom we rely may fail to obtain, maintain or renew necessary licenses, permits, certificates or regulatory approvals for the development, manufacture and sales of our products and future approved product candidates, (x) we have limited experience in manufacturing radiopharmaceutical products on a large commercial scale, and (xi) in conducting radiopharmaceuticals discovery, development and manufacturing, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.

PRE-IPO INVESTMENTS

Our Company obtained several rounds of investments, including the Jan-2017 Capital Increase, Dec-2017 Capital Increase, Jul-2020 Capital Increase, Sep-2020 Capital Increase, Feb-2021 Capital Increase, Oct-2021 Capital Increase, Jun-2023 Capital Increases, Nov-2024 Capital Increase and Jan-2025 Capital Increase, from the Pre-IPO Investors through subscriptions for increased registered capital of our Company. In addition, some investors joined our Company by purchase of the registered capital or Shares of our Company from the then existing Shareholders. For details, please see "History, Development and Corporate Structure – Pre-IPO Investments" in this prospectus.

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, each of the Employee Shareholding Platforms held 1,775,726 Shares, 864,054 Shares, 799,557 Shares, 799,556 Shares and 361,711 Shares, representing approximately 3.01%, 1.46%, 1.35%, 1.35% and 0.61% of the total issued Shares of our Company, respectively. Each of them is managed by Mr. Xu as their respective general partner. Each of the AIC Parties, namely Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, beneficially held 6,686,142 Shares, 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, representing approximately 11.32%, 2.46%, 1.96%, 1.47%, 1.25%, 0.46% and 0.32% of the total issued Shares of our Company, respectively.

Pursuant to the Concert Party Agreement, the AIC Parties have agreed to act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this prospectus.

Therefore, the Single Largest Shareholders Group, comprising the Employee Shareholding Platforms and the AIC Parties, as a group of Shareholders, were collectively entitled to exercise the voting rights attaching to approximately 27.03% of the total issued Shares of our Company as of the Latest Practicable Date. Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the Single Largest Shareholders Group will be collectively entitled to exercise the voting rights attaching to approximately 24.33% of the total issued Shares of our Company. Accordingly, the Single Largest Shareholders Group, as a group of Shareholders, will not be regarded as our controlling Shareholders, but will remain as our single largest group of Shareholders upon completion of the Global Offering. For details, please see section headed "Relationship with Our Single Largest Shareholders Group" in this prospectus.

CONCERT PARTY AGREEMENT

On July 20, 2020, the AIC Parties entered into the Concert Party Agreement, pursuant to which, they (i) acknowledged and confirmed their relationship of acting in concert in exercising the rights of the shareholders of the Company, and agreed to continue such acting in concert relationship, and (ii) agreed to consult with each other and reach a unanimous consensus before the decisions when exercising his/her voting rights as a shareholder of the Company and when participating in the Group's operation and management, external investments and all major matters, and if there is any disagreement between them after consultation, parties shall follow Mr. Xu's decision in exercising his/her voting rights of the Shares. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this prospectus.

RECENT DEVELOPMENTS

Our recent developments of our drug candidates since the end of the Track Record Period include: in September 2026, we received the IND approval for conducting Phase II clinical trials of XTR008 for meningioma from the NMPA.

After excluding the changes in fair value of redemption liabilities on equity shares, we expect to record net loss for the year ending December 31, 2026, primarily due to an increase in our research and development expenses, mainly as we continue to advance our research and development activities.

DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors. As advised by our PRC Legal Adviser, based on our Articles of Association and PRC Company Law, we can pay dividends, except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses. However, in light of our accumulated losses as disclosed in this prospectus, it is unlikely that we will have any plan to announce or pay dividends out of our profits in the foreseeable future. For further details, please see "Financial Information – Dividends."

OFFERING STATISTICS

	Based on the Offer Price of HK$52.0	Based on the Offer Price of HK$68.0
Market capitalization of our Shares[(1)]	HK$3,412 million	HK$4,461 million
Unaudited pro forma adjusted consolidated net tangible assets per Share as of June 30, 2026[(2)]	HK$23.13	HK$24.66

Notes:

(1) The calculation of market capitalization is based on 65,609,614 Shares expected to be in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised.

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to Appendix II.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$329.1 million, after deducting underwriting commissions, fees and other estimated expenses paid and payable by us in connection with the Global Offering, assuming the Over-Allotment Option is not exercised and an Offer Price of HK$60.0 per Share (being the mid-point of the indicative Offering Price range stated in this prospectus). We intend to use the net proceeds from the Global Offering for the following purposes:

- 88.0%, or approximately HK$289.5 million, will be used for the research, development and registrational filings of our Core Products;
- 4.9%, or approximately HK$16.1 million, will be used for the research and development of our other product candidates;
- 1.1%, or approximately HK$3.5 million, will be used for the reinforcement of our sales and marketing capabilities;
- 1.1%, or approximately HK$3.5 million will be used for the construction of a new manufacturing facility in Tianjin; and
- 5.0%, or approximately HK$16.5 million, will be used for working capital and other general corporate purposes.

See "Future Plans and Use of Proceeds."

LISTING EXPENSES

Our listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. Based on the Offer Price of HK$60.0 per Share, our listing expenses in relation to the Global Offering are estimated to be approximately RMB55.3 million (HK$64.6 million), representing 16.4% of the gross proceeds. The listing expenses consist of (i) underwriting-related expenses, including underwriting commissions, of approximately RMB6.8 million (HK$7.9 million), and (ii) non-underwriting-related expenses of approximately RMB48.5 million (HK$56.7 million), comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately RMB28.5 million (HK$33.3 million), and (b) other fees and expenses of approximately RMB20.0 million (HK$23.4 million).

During the Track Record Period, we incurred listing expenses of RMB38.8 million, of which RMB31.8 million was charged to our consolidated statement of profit or loss and RMB7.0 million is attributable to the issue of Shares and will be deducted from equity upon Listing. We expect to incur additional listing expenses of approximately RMB16.5 million (HK$19.3 million) after the Track Record Period, approximately RMB9.2 million (HK$10.8 million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB7.3 million (HK$8.5 million) of which is attributable to the issue of Shares and will be deducted from equity upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change of our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, and up to the date of this prospectus.

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are defined in the section headed "Glossary of Technical Terms" in this prospectus.

"Accountants' Report"	the accountants' report of our Company for the Track Record Period from Ernst & Young, the text of which is set out in Appendix I to this prospectus
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"AIC Party(ies)"	Mr. Xu, Mr. Xue, Mr. Chu, Ms. Liu, Ms. Tang, Ms. Qi and Mr. Wang
"Articles" or "Articles of Association"	the articles of association of our Company adopted on April 27, 2025 with effect upon Listing (as amended from time to time), a summary of which is set out in Appendix V to this prospectus
"ASR" or "Approved Securities Registrar"	an approved securities registrar, i.e., a person approved by the SFC to provide securities registrar services under new section 101AAG of the SFO introduced under section 7 of the USM Amendment Ordinance
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"BED"	Blue Earth Diagnostics Limited
"Beijing Sinotau Bio-pharmaceutical"	Beijing Sinotau Bio-pharmaceutical Technology Co., Ltd. (北京先通生物醫藥技術有限公司) (formerly known as Beijing Xiantongda Medical Research Co., Ltd. (北京先通達醫學研究有限公司) and Beijing Xiantongda Bio-pharmaceutical Technology Co., Ltd. (北京先通達生物醫藥技術有限公司)), a limited liability company established in the PRC on August 28, 2014, and a wholly owned subsidiary of our Company
"Beijing Sinotau Cloud"	Beijing Sinotau Cloud Pharmaceutical Technology Promotion Co., Ltd. (北京先通雲醫藥科技推廣有限公司), a limited liability company established in the PRC on August 27, 2018, and a wholly owned subsidiary of our Company
"Beijing Sinotau Innovation"	Beijing Sinotau Innovation Pharmaceutical Technology Co., Ltd. (北京先通科創醫藥科技有限公司), a limited liability company established in the PRC on May 31, 2021, and a wholly owned subsidiary of our Company
"Beijing Sinotau Juhui"	Beijing Sinotau Juhui Technology Development Center (Limited Partnership) (北京先通聚慧科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on May 16, 2023 which is controlled by Mr. Xu, as the general partner
"Beijing Sinotau Juli"	Beijing Sinotau Juli Technology Development Center (Limited Partnership) (北京先通聚力科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on June 10, 2019 which is controlled by Mr. Xu, as the general partner

"Beijing Sinotau Juxin"	Beijing Sinotau Juxin Technology Development Center (Limited Partnership) (北京先通聚鑫科技發展中心(有限合夥)), an Employee Shareholding Platform established in the PRC on May 16, 2023 which is controlled by Mr. Xu, as the general partner
"Beijing Soft Imaging Medical"	Beijing Soft Imaging Medical Technology Co., Ltd. (北京軟影醫學技術有限公司), a limited liability company established in the PRC on May 28, 2024, and a wholly owned subsidiary of Glotope
"Board" or "Board of Directors"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediaries" or "capital market intermediaries" or "CMIs"	the capital market intermediaries as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Certificated Form"	has the meaning given to it in section 1AB(b) of Part 1 of Schedule 1 to the Securities and Futures Ordinance
"Cerveau"	Cerveau Technologies, Inc., a corporation established in Delaware on February 5, 2016 and an Independent Third Party
"China" or "PRC"	the People's Republic of China, which only in the context of describing PRC rules, laws, regulations, regulatory authority, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this prospectus, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People's Republic of China
"CIC" or "Industry Consultant"	China Insights Industry Consultancy Limited, our industry consultant
"CIC Report"	the industry report commissioned by our Company and independently prepared by CIC, summary of which is set forth in the section headed "Industry Overview" in this prospectus
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技股份有限公司), a joint stock company with limited liability incorporated in the PRC, the predecessor of which was Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技有限公司), a limited liability company established in the PRC on January 24, 2005, and if the context requires, includes its predecessor

"Comprehensive Sanctioned Countries"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction, for the purpose of this Prospectus, Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People's Republic and Donetsk People's Republic regions, Zaporizhzhia regions and Kherson regions
"Concert Party Agreement"	the concert party agreement dated July 20, 2020 entered into by Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, pursuant to which the parties agreed, inter alia, that they shall act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For further details, see "History, Development and Corporate Structure – Concert Party Agreement" in this prospectus
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Rules and refers to one or more of XTR008 and XTR004 as the product(s) used to satisfy the eligibility requirements under Chapter 18A of the Rules and Chapter 2.3 of the Guide
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Dematerialize"	in relation to any number of units of prescribed securities, means converting that number of units of those securities from certificated form to uncertificated form
"Director(s)"	the director(s) of our Company
"EAR"	United States Export Administration Regulations, 15 C.F.R. Parts 730-774
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》)
"Employee Shareholding Platform(s)"	Beijing Sinotau Juhui, Beijing Sinotau Juli, Beijing Sinotau Juxin, Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi, or any one of them as the context may require
"Employee Incentive Schemes"	the employee incentive schemes of our Company which were adopted in April 2019 and January 2021 (further amended in April 2023) and June 2023, a summary of the principal terms of which is set forth in the paragraph headed "Further Information about Our Directors and Substantial Shareholders – 5. Employee Incentive Schemes" in Appendix VI to this prospectus
"Entity List"	the U.S. Department of Commerce, Bureau of Industry and Security's Entity List

"Exchange Participant"	a person (a) who, in accordance with the Listing Rules may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	extreme conditions as announced by the Hong Kong Government
"FINI"	a new digital platform through which IPO market participants and regulators can manage the end-to-end settlement process for new listings in Hong Kong
"General Office of the State Council"	General Office of the State Council of the People's Republic of China (中華人民共和國國務院辦公廳)
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Glotope"	Glotope Advanced Pharmaceutical Technology Ltd. (國通 (成都) 新藥技術有限公司) (formerly known as Sichuan Sinotau Atom Pharmaceutical Technology Co., Ltd. (四川先通原子醫藥科技有限公司)), a limited liability company established in the PRC on June 3, 2019, and a non-wholly owned subsidiary of our Company
"Glotope Mianyang"	Glotope (Mianyang) Advanced Pharmaceutical Technology Co., Ltd. (國通 (綿陽) 新藥技術有限公司) (formerly known as (Sichuan Sinotau Pharmaceutical Technology Co., Ltd. (四川先通醫藥科技有限公司)), a limited liability company established in the PRC on January 19, 2021, a wholly owned subsidiary of Glotope
"Glotope Wuxi"	Glotope (Wuxi) Advanced Pharmaceutical Technology Ltd. (國通 (無錫) 醫藥技術有限公司) (formerly known as Jiangsu Sinotau Molecular Imaging Technology Co., Ltd. (江蘇先通分子影像科技有限公司)), a limited liability company established in the PRC on December 13, 2017, and a wholly owned subsidiary of Glotope
"Glotope Zhongshan"	Glotope (Zhongshan) Advanced Pharmaceutical Technology Ltd. (國通 (中山) 醫藥技術有限公司) (formerly known as Guangdong Sinotau Molecular Imaging Technology Co., Ltd. (廣東先通分子影像科技有限公司)), a limited liability company established in the PRC on August 28, 2017, and a wholly owned subsidiary of Glotope
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange
"Guotong Zhengzhou"	Guotong (Zhengzhou) Pharmaceutical Technology Ltd. (國通 (鄭州) 醫藥技術有限公司 , formerly known as Glotope (Henan) New Advanced Pharmaceutical Technology Ltd. (河南國通新藥技術有限公司)), a limited liability company established in the PRC on April 26, 2024, a wholly owned subsidiary of Glotope

"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of the HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 656,100 H Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus)
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong on and subject to the terms and conditions described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated November 13, 2026 relating to the Hong Kong Public Offering and entered into by, among others, our Company, the Single Largest Shareholders Group, the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators and the Hong Kong Underwriters, as further described in the paragraph headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering" in this prospectus
"IFRS"	IFRS Accounting Standards

"Independent Third Party(ies)"	any person(s) or entity(ies) who/which is not a connected person of the Company within the meaning of the Listing Rules
"International Offer Shares"	the 5,904,900 H Shares being initially offered by us for subscription under the International Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus) together with any additional H Shares that may be allotted and issued pursuant to the Over-allotment Option
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, in each case on and subject to the terms and conditions described in the section headed "Structure of the Global Offering" in this prospectus
"International Sanctions"	all applicable laws and regulation relating to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the United Kingdom, the EU and its member states, UN or Government of Australia
"International Sanctions Legal Advisor"	Hogan Lovells Cadwalader International LLP, our legal advisor as to International Sanctions laws in connection with the Listing
"International Underwriters"	the underwriters of the International Offering listed in the International Underwriting Agreement
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering which is expected to be entered into on or around Price Determination Date by, among others, our Company, the Single Largest Shareholders Group, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators and the International Underwriters, as further described in the paragraph headed "Underwriting – Underwriting Arrangements and Expenses – International Offering" in this prospectus
"Jiangsu Sinotau Pharmaceutical"	Jiangsu Sinotau Pharmaceutical Co., Ltd. (江蘇先通醫藥有限公司), a limited liability company established in the PRC on May 17, 2023, and a wholly owned subsidiary of our Company
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Sponsors"	the joint sponsors as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Latest Practicable Date"	November 7, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange

"Listing Date"	the date, expected to be on or about Tuesday, November 24, 2026 on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Meilleur"	Meilleur Technologies, Inc., a corporation established in Delaware on April 13, 2018 and an Independent Third Party
"METI"	the Ministry of Economy, Trade and Industry of Japan
"METI MEU List"	The End-User List maintained by Japan's Ministry of Economy, Trade and Industry under the Foreign Exchange and Foreign Trade Act and related regulations
"Mr. Chu" or "Chu Wei"	Mr. CHU Wei (儲維), our executive Director and a member of the Single Largest Shareholders Group
"Mr. Wang" or "Wang Peng"	Mr. WANG Peng (王鵬), our executive Director and a member of the Single Largest Shareholders Group
"Mr. Xu"	Mr. XU Xinsheng (徐新盛), our executive Director and a member of the Single Largest Shareholders Group
"Mr. Xue" or "Xue Fei"	Mr. XUE Fei (薛飛), a member of the Single Largest Shareholders Group
"Ms. Liu" or "Liu Shuang"	Ms. LIU Shuang (劉爽), a member of the Single Largest Shareholders Group
"Ms. Qi" or "Qi Hui"	Ms. QI Hui (齊慧), a member of the Single Largest Shareholders Group and a close associate of Mr. Xu
"Ms. Tang"	Ms. TANG Yanmin (唐艷旻), our executive Director and a member of the Single Largest Shareholders Group
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NEEQ"	the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司), a PRC over-the-counter system for trading shares of public companies
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

"OFAC"	the Office of Foreign Assets Control of the U.S. Department of the Treasury
"Offer Price"	the final offer price per Offer Share (exclusive of a brokerage fee of 1%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed "Structure of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators"	the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Over-allotment Option"	the option expected to be granted by us to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) under the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 984,150 additional H Shares (representing not more than 15.0% of the Offer Shares initially available under the Global Offering) at the Offer Price, to cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering" in this prospectus
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023
"Participating Securities"	the issuer of any prescribed securities may, in accordance with the rules of the corresponding exchange company for those securities, publish a date (or any revised date) as the date on which the securities are to become participating securities
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	Zhong Lun Law Firm, the legal adviser of our Company as to the PRC laws
"PRC Securities Law"	the Securities Law of the People's Republic of China (《中華人民共和國證券法》)
"Pre-IPO Investment(s)"	the investment(s) in our Group undertaken by the Pre-IPO Investors pursuant to the relevant equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the paragraph headed "History, Development and Corporate Structure – The Pre-IPO Investments – Principal terms of the Pre-IPO Investments" in this prospectus

"Pre-IPO Investor(s)"	the investor(s) who acquired interest in our Group pursuant to the relevant equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the paragraph headed "History, Development and Corporate Structure – The Pre-IPO Investments – Principal terms of the Pre-IPO Investments" in this prospectus
"Price Determination Agreement"	the agreement to be entered into between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to record the Offer Price
"Price Determination Date"	the date on which the Offer Price is to be determined
"Provisional system-member"	a registered holder of prescribed securities in respect of whom an ASR has set up a temporary or provisional USI facility to enable such holder to hold (but not otherwise manage) the securities electronically through a UNSRT system operated by that ASR
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局)
"Sanctioned Person"	certain person(s) and identity(ies) listed on OFAC's Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia
"SCNPC"	the Standing Committee of the National People's Congress of the People's Republic of China (中華人民共和國全國人民代表大會常務委員會)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Sinotau"	Shanghai Sinotau Biotech. Co., Ltd. (上海先通生物科技有限公司), a limited liability company established in the PRC on November 12, 2021, and a wholly owned subsidiary of our Company
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Sichuan Hengan"	Sichuan Hengan Xingye Transportation Service Co., Ltd. (四川恆安興業運輸服務有限公司), a limited liability company established in the PRC on July 16, 2025 and a wholly-owned subsidiary of our Company

"Sichuan Sinotau Pharmaceuticals"	Sichuan Sinotau Pharmaceuticals Co., Ltd. (四川先通醫藥有限公司), a limited liability company established in the PRC on June 18, 2024, and a wholly owned subsidiary of our Company
"Sinotau Tianjin"	Sinotau (Tianjin) Pharmaceutical Technology Co., Ltd. (先通 (天津) 醫藥科技有限公司), a limited liability company established in the PRC on September 3, 2025, a wholly owned subsidiary of our Company
"Sinotau USA"	Sinotau USA, Inc., a corporation incorporated under the laws of the State of Delaware on October 29, 2015, and a wholly-owned subsidiary of our Company
"Single Largest Shareholders Group"	the AIC Parties and the Employee Shareholding Platforms
"Sponsor-Overall Coordinators" or "Sponsor-OCs"	the sponsor-overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"State Council"	the State Council of the People's Republic of China (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"System member"	in relation to a UNSRT system operated by an approved securities registrar, means – (a) a person who, having completed the registrar's procedures for using the system, is permitted by the registrar to use the system for evidencing and transferring title to prescribed securities held, or to be held, by the person without an instrument; or (b) two 2 or more such persons who are so permitted in respect of prescribed securities held, or to be held, by them jointly
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC (as amended, supplemented or otherwise modified from time to time)
"Tianjin Sinotau Juneng"	Tianjin Sinotau Juneng Technology Development Center (Limited Partnership) (天津先通聚能科技發展中心 (有限合夥)), an Employee Shareholding Platform established in the PRC on April 19, 2021 which is controlled by Mr. Xu, as the general partner
"Tianjin Sinotau Juzhi"	Tianjin Sinotau Juzhi Technology Development Center (Limited Partnership) (天津先通聚智科技發展中心 (有限合夥)), an Employee Shareholding Platform established in the PRC on April 9, 2021 which is controlled by Mr. Xu, as the general partner
"Track Record Period"	the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States

"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"Uncertificated Form"	has the meaning given to it in section 1AB(a) of Part 1 of Schedule 1 to the Securities and Futures Ordinance
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Shares"	unlisted ordinary Share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed or traded on any stock exchange
"UNSRT system"	has the same meaning as defined in section 101AAB of the Securities and Futures Ordinance
"Unverified List"	a list contained in Supplement No. 6 to Part 744 of the EAR maintained by the U.S. Department of Commerce, Bureau of Industry and Security
"USI facility"	refers to an electronic/online facility set up by the holder with the ASR for viewing and managing any participating securities in uncertificated form that he holds in his own name
"USM Amendment Ordinance"	shall mean the Securities and Futures and Companies Legislation (Amendment) Ordinance 2021 (Ordinance No. 17 of 2021), as amended by the Stamp Duty Legislation (Miscellaneous Amendments) Ordinance 2024 (Ordinance No. 33 of 2024)
"USM Rules"	shall mean the Securities and Futures (Uncertificated Securities Market) Rules (Cap.571AS of the Laws of Hong Kong) made under the SFO, as in force from time to time and any amendments thereto or re-enactments thereof for the time being in force and include every other rules or subsidiary legislation incorporated therewith or substituted therefor
"White Form eIPO"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"%"	per cent

"A/T/N"	Amyloid, Tau, Neurodegeneration, an unbiased descriptive classification scheme for Alzheimer's disease biomarkers
"ACS"	acute coronary syndrome
"active pharmaceutical ingredient" or "API"	the substance in a pharmaceutical product that is biologically active
"AD"	Alzheimer's disease, is a neurodegenerative disease that usually starts slowly and progressively worsens
"ADC"	antibody-drug conjugate, a cancer treatment modality that enables the selective delivery of highly cytotoxic payloads to tumors
"ADCS-MCI-ADL"	Alzheimer's disease cooperative study scale for activities of daily living in mild cognitive impairment
"ADOD"	AD and other dementias
"ADT"	androgen deprivation therapy, an antihormone therapy whose main use is in treating prostate cancer
"adverse events" or "AE"	any untoward medical occurrences in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"ANDA"	abbreviated new drug application
"ARPI"	androgen receptor pathway inhibitor
"Aβ" or "β-amyloid"	The proteolytic products of amyloid precursor protein generated by β- or γ- secretases. They are the main component of the amyloid plaques found in the brains of people with Alzheimer's disease
"biopsy"	a procedure to remove a piece of tissue or a sample of cells from your body so that it can be tested in a laboratory
"BIRC"	blinded independent review committee
"CAD"	coronary artery disease, a common type of heart disease. It affects the main blood vessels that supply blood to the heart, called the coronary arteries
"CAGR"	compound annual growth rate, the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan
"calcium mimetic"	a substance that mimics the chemical behavior of calcium and can accumulate in bone tissue by forming complexes with bone minerals, particularly at sites of increased bone turnover
"carrier-free ^{177}Lu"	lutetium-177 produced without the addition of stable (non-radioactive) lutetium isotopes, resulting in an extremely high specific activity (radioactivity per unit mass)
"CCS"	chronic coronary syndrome

"CD36"	also known as platelet glycoprotein 4, fatty acid translocase, a protein that in humans is encoded by the CD36 gene
"CDE"	Center for Drug Evaluation, a division of the NMPA
"CDMO"	contract development and manufacturing organization
"cGMP"	current good manufacturing practice
"chelator"	an organic chemical that bonds with and removes free metal ions
"CIMs"	conventional imaging modalities
"Class 1 innovative drug"	Innovative drugs that have not been marketed in China or overseas
"Class 2 chemical drug"	modified new drugs that have not been marketed in China or overseas. They refer to drugs that have their structure, dosage form, formulation and process, route of administration and indications optimized on the basis of known active ingredients and have significant clinical advantages
"Class 2.4 chemical drug"	a drug product containing a known active ingredient but proposed for a new indication
"Class 3 chemical drug"	drugs manufactured by domestic applicants by imitating the original drugs that have been marketed overseas but not yet in China
"CMC"	chemistry, manufacturing, and controls processes
"CMD"	coronary microvascular dysfunction
"CMO(s)"	contract manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide drug manufacturing services
"CNIPA"	China National Intellectual Property Administration (中華人民共和國國家知識產權局)
"compound(s)"	a substance consisting of two or more elements in union
"COVID-19"	coronavirus disease 2019, a disease caused by the novel virus 2 SARS-CoV-2 and designated as severe acute respiratory syndrome
"CR"	complete response
"CRO(s)"	a contract research organization, who provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CRPC"	castration-resistant prostate cancer, a type of prostate cancer that continues to grow and progress even when testosterone levels in the body are reduced to very low levels through surgical or medical castration
"CT"	computed tomography
"cTn"	cardiac troponin
"CVD"	cardiovascular diseases

"DCR"	disease control rate
"DLT"	dose-limiting toxicity, severe adverse effects that define the maximum tolerated dose of a cancer drug
"docetaxel"	a clinically well-established anti-mitotic chemotherapy medication used for the treatment of different types of cancer
"DoR"	duration of response
"DOTATATE"	a peptide molecule that binds to somatostatin receptors overexpressed on NET cells and, when labeled with a radionuclide, can be used for targeted radiotherapy or diagnostic PET imaging, depending on the radionuclide to which it is attached
"DOTA-TOC"	a substance which, when bound to various radionuclides, is used in the treatment and diagnosis of certain types of cancer
"DRE"	digital rectal examination, also known as a prostate exam, an internal examination of the rectum
"ECG"	electrocardiogram. A test that records the electrical activity of the heart over a period of time using electrodes placed on the skin
"EMA"	the European Medicines Agency
"enzalutamide"	a nonsteroidal antiandrogen medication which is used in the treatment of prostate cancer
"enzyme"	a biological macromolecule that acts as a catalyst
"ES-SCLC"	extensive-stage small cell lung cancer
"EUS"	endoscopic ultrasound, a procedure that combines endoscopy and ultrasound to examine your gastrointestinal tract and nearby organs
"FAQ"	functional activities questionnaire
"FCPA"	Foreign Corrupt Practices Act of the United States
"FDA"	The United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
"FDG"	fluorodeoxyglucose, a radiopharmaceutical, specifically a radiotracer, used in the medical imaging, reflects both intrinsic glucose metabolism and the metabolic shift from fatty acid to glucose utilization in infarcted myocardium
"FFAs"	free fatty acids, that provide rapid energy as they are readily available for cellular metabolism, making them easy to be taken up and metabolized by cells
"FFR"	fractional flow reserve, a minimally invasive procedure to figure out how bad the narrowing is in your coronary arteries
"FIH" or "first-in-human"	a type of clinical trial in which a new drug, procedure, or treatment is tested in humans for the first time

"first-in-class"	drugs that use a new and unique mechanism of action for treating a medical condition
"first-line treatment"	the initial, or first treatment recommended for a disease or illness
"GBM" or "glioblastoma"	a type of cancer that starts as a growth of cells in the brain or spinal cord
"GCP"	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
"generic drug"	a pharmaceutical that contains the same active ingredients as an original formulation and is comparable in dosage form, strength, quality, performance and intended use
"GEP-NETs"	gastroenteropancreatic neuroendocrine tumors, a rare type of tumor
"GFA"	gross floor area
"glucose-loaded"	a state or condition in which glucose has been administered or consumed, typically for medical or diagnostic purposes
"glycolysis"	a set of reactions that converts glucose to pyruvate or lactate
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Grade"	when used in connection with adverse events, the term used to refer to the severity of adverse events
"HPLC"	high-performance liquid chromatography, a broad analytical chemistry technique used to separate compounds in a chemical mixture
"hydroxyapatite"	an inorganic mineral with a typical apatite lattice structure
"hyperphosphorylated tau protein"	a specific form of the tau protein that has undergone excessive phosphorylation and has aggregated into small clusters known as oligomers
"IAEA"	International Atomic Energy Agency
"IIT"	investigator-initiated trial, a clinical trial that is conceived, designed, and conducted by an investigator or a group of investigators, rather than by a pharmaceutical company
"*in vitro*"	when used in connection with research, *in vitro* refers to studies conducted outside of a living organism in a laboratory environment using test tubes, petri dishes, etc. using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules

"*in vivo*"	when used in connection with research, *in vivo* refers to studies those in which the effects of various biological entities are tested on whole, living organisms as opposed to a partial or dead organism, or those done *in vitro*
"IND"	investigational new drug, an application and approval process required before drug candidates may commence clinical trials
"indication(s)"	a particular disease that a drug can be used to treat, prevent, or diagnose
"inflammation"	a protective tissue response to injury or destruction of tissues, which serves to destroy, dilute, or wall off both the injurious agent and the injured tissues
"inhibitor"	a chemical or substance added or applied to another substance to slow down a reaction or to prevent an unwanted chemical change
"INPC"	Institute of Nuclear Physics and Chemistry, a part of the China Academy of Engineering Physics (中國工程物理研究院核物理與化學研究所)
"ITLC"	instant thin layer chromatography, a modified chromatography method or analytical chemistry technique used to separate compounds in a chemical mixture, with thin-layer support
"Ki-67" or "Ki-67 index"	A cell cycle protein typically associated with cell proliferation, often used as a marker in oncology. Its measurement is utilized in pathology to assess the proliferation rate of cells, particularly in cancerous tissues
"KOLs"	key opinion leaders
"LAR"	long-acting repeatable, commonly used in medical contexts to describe formulations of medications that are designed to provide sustained release of the drug over an extended period, typically requiring less frequent dosing
"Lutathera"	a radiolabeled somatostatin analog used for the treatment of somatostatin receptor-positive gastroenteropancreatic neuroendocrine tumors
"lysosomes"	membrane-enclosed organelles that contain an array of enzymes capable of breaking down all types of biological polymers
"mAbs"	monoclonal antibodies, an antibody produced from a cell lineage made by cloning a unique white blood cell
"MAH"	marketing authorization holder
"major regulatory authorities"	the U.S. FDA, EMA of the European Union, NMPA of the PRC, and PMDA of Japan
"MBF"	myocardial blood flow. It refers to the volume of blood flowing through the heart muscle (myocardium) per unit of time, typically measured in milliliters per minute per gram of tissue (mL/min/g)
"mCi"	millicurie, a unit of measure for the radioactivity of a substance

"MCI"	mild cognitive impairment
"mCRPC"	metastatic castration-resistant prostate cancer, an advanced form of prostate cancer that no longer responds to androgen deprivation therapy and has spread beyond the prostate gland to other parts of the body
"MDS"	myelodysplastic syndrome
"MFR"	myocardial flow reserve. It is a ratio that compares MBF during stress (e.g., after administering a vasodilator or during exercise) to MBF at rest
"mHSPC"	metastatic hormone-sensitive prostate cancer
"MIBI" or "^{99m}Tc-MIBI"	technetium-99m sestamibi, which is a commonly used radiopharmaceutical tracer in myocardial perfusion imaging
"mitochondrial DNA"	the small circular chromosome found inside mitochondria, found in all eukaryotic cells, are the powerhouse of the cell
"mitochondrion"	an organelle found in the cells of most eukaryotes to generate adenosine triphosphate, which is used throughout the cell as a source of chemical energy
"MK-6240"	a PET tracer for the *in vivo* quantification of NFTs in AD patients
"MMSE"	Mini-Mental State Examination. It is a widely used clinical screening tool designed to assess cognitive function and detect cognitive impairment, including dementia and Alzheimer's disease
"MOFCOM"	Ministry of Commerce of the People's Republic of China (中華人民共和國商務部)
"molecule"	an electrically neutral group of two or more atoms held together by chemical bonds
"mortality"	death rate, varying by such parameters as age, gender and health
"MPI"	myocardial perfusion imaging
"MRI"	magnetic resonance imaging
"MTD"	maximum tolerated dose
"NADH"	nicotinamide adenine dinucleotide, a crucial coenzyme found in all living cells
"NDA"	new drug application
"NECs"	neuroendocrine carcinomas, a type of cancer that originates from neuroendocrine cells
"NEN"	neuroendocrine neoplasm, a group of heterogeneous tumors that originate from neuroendocrine cells, which are widely distributed throughout the body
"NET"	neuroendocrine tumors, neoplasms that arise from cells of the endocrine and nervous systems

"neuron(s)"	a specialized cell transmitting nerve impulses
"NFTs"	neurofibrillary tangles, intracellular aggregates of hyperphosphorylated tau protein that are most commonly known as a primary biomarker of Alzheimer's disease
"nmCRPC"	nonmetastatic castration-resistant prostate cancer
"NMPA"	The National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the CFDA
"NPI"	neuropsychiatric inventory
"NPV"	negative predictive value
"NRDL"	China's National Reimbursement Drug List, also known as Drugs Catalogue for the National Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》)
"NSE"	neuron-specific enolase, the γ-subunit of the enolase enzyme involved in the glycolytic pathway and is characteristic of neural cells
"NSTE"	non-ST-segment elevation. It typically refers to abnormalities in the heart's electrical activity without the characteristic ST-segment elevation seen on an electrocardiogram
"ORR"	objective response rate
"OS"	overall survival
"osteoblasts"	cells that form new bones and grow and heal existing bones
"PCI"	percutaneous coronary intervention, a minimally invasive procedure used to open blocked or narrowed coronary arteries
"PD"	pharmacodynamics, the study of how drugs affect organisms physiologically and biochemically, and the factors that influence drug responses
"PET"	positron emission tomography, a non-invasive medical imaging technique that provides detailed information about the metabolic activity within the body
"PET-CT"	positron emission tomography-computed tomography, a sophisticated medical imaging technique that combines the functional information from positron emission tomography with the structural details from computed tomography
"PFS"	progression-free survival
"pharmacology"	the science that deals with the origin, nature, chemistry, effects, and uses of drugs, including pharmacognosy, pharmacokinetics, pharmacodynamics, pharmacotherapeutics and toxicology
"Phase I clinical trial(s)"	Phase I clinical trials aim to test the safety of a new drug candidate

"Phase II clinical trial(s)"	Phase II clinical trials test the new drug candidate on a larger group of patients, to gather information about whether it works and how well it works in the short-term
"Phase III clinical trial(s)"	Phase III clinical trials are for a new drug candidate that has already passed Phases I and II which test the new drug candidate in larger groups of patients, and compare the new drug candidate against an existing treatment or a placebo to see if it works better in practice and if it has important side effects
"PK"	pharmacokinetics, the study of how the body interacts with administered substances, particularly medications, throughout the entire duration of exposure
"placebo"	a substance or treatment with no active therapeutic effect, commonly used in clinical trials as the administered substance for the control group
"PMDA"	Pharmaceuticals and Medical Devices Agency of Japan
"PPGL"	pheochromocytomas and paraganglioma
"PPV"	positive predictive value
"PR"	partial response, defined as at least a 30% but less than 100% decrease in the size of a tumor or the extent of cancer in the body in response to treatment, according to RECIST
"PRRT"	peptide receptor radionuclide therapy, a type of therapeutic radioligand
"PSA"	prostate-specific antigen, a protein produced by both normal and cancerous cells of the prostate gland
"PSADT"	prostate-specific antigen doubling time, a measure of how quickly the level of prostate-specific antigen in the blood is rising
"PSMA"	prostate-specific membrane antigen, a promising diagnostic and therapeutic target due to its high expression in nearly all stages of prostate cancer
"PTP"	pre-test probability, the likelihood that a patient has a particular disease before any diagnostic test is performed
"QCA"	quantitative coronary angiography
"R&D"	research and development
"radioligand"	a pharmaceutical product which consists of a radioactive isotope and a cell-targeting compound
"radionuclide"	a class of chemicals where the nucleus of the atom is unstable
"radiotherapy"	a treatment using ionizing radiation, generally provided as part of cancer therapy to either kill or control the growth of malignant cells
"SAEs"	serious adverse events
"SD"	stable disease

"SDS"	summed difference score, which is used to assess the difference in perfusion between the rest and stress phases of a myocardial perfusion scan
"small molecule(s)"	low molecular weight (≤ 1,000 daltons) organic compounds that may regulate a biological process, with a size on the order of 1 nm
"somatostatin analog"	a possible treatment to reduce and control high hormone levels
"SoT"	standard of truth
"SPECT"	single photon emission computed tomography, a medical imaging technique that is based on conventional nuclear medicine imaging and tomographic reconstruction methods
"sq.m."	square meter, a unit of area
"SSS"	summed stress score, a numerical value that represents the degree of myocardial ischemia or stress in a patient's heart
"SSTR"	somatostatin receptor, are receptors for the ligand somatostatin, a small neuropeptide associated with neural signaling
"STEMI"	ST-segment elevation myocardial infarction
"SUVR"	standardized uptake value ratio. It is a semi-quantitative measurement commonly used in PET imaging to assess the relative uptake of a radiotracer in a target region of interest compared to a reference region
"SWI"	susceptibility weighted imaging, a type of MRI technique that takes advantage of the magnetic susceptibility differences between tissues
"T2*GRE"	T2-weighted gradient echo, refers to a specific type of MRI sequence. "T2-weighted" emphasizes differences in the T2 relaxation times of tissues, making fluids appear bright and useful for detecting pathology. Gradient echo refers to a fast imaging technique that uses gradient fields instead of a 180° refocusing pulse, which allows for shorter scan times and different image contrasts
"targeting ligand"	a molecule that binds specifically to a receptor or antigen on the surface of a target cell
"tau"	tubulin associated unit, a group of protein that is considered to be associated with Alzheimer's disease and Parkinson's disease
"TEAEs"	treatment-emergent adverse events
"translational medicine"	an area of research that aims to improve human health and longevity by determining the relevance to human disease of novel discoveries in the biological sciences
"TTP"	time to progression
"USPTO"	United States Patent and Trademark Office
"WAC"	wholesale acquisition cost

This prospectus contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully implement and obtain adequate capital resources to fund our business plans, strategies, objectives and goals;
- changes in our customers' preferences, demands and business performance;
- our financial conditions and performance, including our ability to control costs and expenses;
- changes in the competitive landscape of our industries;
- changes to the political, regulatory, economic and business environment in the industry and geographical markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and geographical markets in which we operate;
- global financial markets and economic conditions;
- our dividend policy;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- all other risks and uncertainties described in "Risk Factors".

In some cases, we use the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed "Business" and "Financial Information" in this prospectus in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose substantial or all of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements."

MATERIAL RISKS RELATING TO OUR BUSINESS

We rely on third parties, including INPC, to manufacture a portion of our products for clinical development and commercial sales.

During the Track Record Period and up to the Latest Practicable Date, we had worked with qualified CMOs to manufacture our product candidates and products. Especially, INPC has been, and will remain as, the sole supplier of ^{177}Lu for the production of XTR008 for at least 12 to 18 months after the NDA approval of XTR008 for the treatment of G1 or G2 GEP-NENs in China. INPC is also the sole manufacturer of XTR008 and expected to remain so until at least 2028 before we complete the appointment of additional suppliers. Under a worst-case scenario where INPC fails to supply ^{177}Lu or manufacture XTR008, we may experience a sporadic equipment malfunction requiring repair could result in a temporary suspension of the production and supply of XTR008 for approximately two to three weeks. We expect to continue to rely on third-parties to manufacture at least a portion of the approved products in the future. Reliance on third-party manufacturers would expose us to the following risks: (i) we may be unable to identify manufacturers on acceptable terms or at all, (ii) our third-party manufacturers might be unable to timely manufacture our product candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any, (iii) we do not have control over third-party manufacturers' compliance with these regulations and requirements, (iv) we may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our product candidates, (v) manufacturers may not properly obtain, protect, maintain, defend or enforce our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation, (vi) manufacturers may infringe, misappropriate or otherwise violate the patent, trade secret or other intellectual property rights of third parties, and (vii) our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or human-made disasters. Each of these risks could delay or prevent R&D activities, result in higher costs, or adversely impact commercialization of our future approved product candidates.

Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers fail to comply with their contractual obligations, our ability to provide any products and future approved product candidates for commercial sale and our product candidates to patients in clinical trials would be jeopardized. Any delay or interruption in the provision of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs, and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely.

The just-in-time manufacturing of our radiopharmaceutical products and product candidates is subject to significant operational risks.

As a majority of our radiopharmaceutical products and product candidates rely on radioisotopes with limited half-lives, we or our manufacturing partners must manufacture these products on a just-in-time basis. Our manufacturing operations depend on the timely procurement of radioactive raw materials, the reliability of production equipment and processes, and the operational stability of our production facilities and third-party CMOs. Any disruption in these processes could result in production delays, product wastage or our inability to fulfill customer orders.

For example, XTR008, our therapeutic radiopharmaceutical product candidate with a shelf life of approximately 72 hours calculated from the completion of manufacturing, is expected to be manufactured at the INPC or our Mianyang facility on an order-driven basis, with production generally scheduled one to two weeks following receipt of customer orders and the manufacturing process taking no more than 48 hours. Although our supplier of ^{177}Lu, INPC, is located in proximity to our Mianyang facility,

any disruption in radionuclide supply or production could affect our ability to fulfill customer orders nationwide. For XTR005, our diagnostic radiopharmaceutical product with a shelf life of approximately ten hours, we rely primarily on our Zhongshan and Wuxi facilities, our planned Tianjin facility, which is expected to commence commercial production in the second half of 2030, and third-party CMOs to support production across different regions. Similarly, for XTR004, our diagnostic radiopharmaceutical product candidate with a shelf life of approximately eight hours calculated from the completion of manufacturing, we expect to rely on our Zhongshan and Wuxi facilities, our planned Tianjin facility and third-party CMOs to support production across different regions, with production generally scheduled within one week following receipt of customer orders and the manufacturing process taking approximately five hours. Any failure to effectively coordinate production schedules, maintain sufficient manufacturing capacity or ensure the operational stability of our CMOs could disrupt our production and supply arrangements, which could materially and adversely affect our business, results of operations, financial condition and cash flows.

The short shelf lives of our radiopharmaceutical products and product candidates impose stringent transportation and delivery requirements.

Due to the short half-lives of the radioisotopes used in our radiopharmaceutical products and product candidates, timely transportation and delivery are critical to ensuring their administration to patients within the applicable shelf lives. Our supply chain requires close coordination among radionuclide suppliers, production facilities, qualified transportation service providers and hospitals. Any delay caused by adverse weather conditions, transportation restrictions, logistics service provider failures or other unforeseen circumstances could result in radioactive decay, product wastage or missed patient administration schedules.

For XTR008, which has a shelf life of approximately 72 hours, we plan to adopt a combination of road and air transportation to support nationwide delivery from the INPC or our Mianyang facility. Under our current arrangements, XTR008 is generally expected to be delivered to hospitals nationwide within 24 hours after production. However, any transportation disruption could affect timely hospital delivery and patient administration. For our short-shelf life diagnostic radiopharmaceutical products, including XTR005, which has a shelf life of approximately ten hours, the typical road transportation radius is limited to approximately 350 to 400 kilometers. Accordingly, we rely on our Zhongshan and Wuxi facilities, our planned Tianjin facility and third-party manufacturing and supply arrangements to serve different geographic regions. For XTR004, which has a shelf life of approximately eight hours and is expected to be commercialized in 2030, the typical road transportation radius is similarly expected to be limited to approximately 350 to 400 kilometers, with delivery to hospitals generally expected to be completed within five hours after production. Accordingly, we plan to primarily rely on road transportation, with our own facilities primarily serving the Beijing-Tianjin-Hebei Region, the Yangtze River Delta Region and the Guangdong-Hong Kong-Macao Greater Bay Area, supplemented by third-party CMOs in other regions.

Any failure to coordinate production, transportation, hospital delivery and patient administration schedules, or to maintain a reliable logistics network across Chinese Mainland, could result in delivery delays, increased costs, product wastage and reputational damage, which could materially and adversely affect our business, results of operations, financial condition and cash flows.

We work with various third parties to develop our product candidates, such as those who help us conduct our preclinical studies and clinical trials. These third parties may not successfully carry out their contractual duties or meet expected timelines.

We have worked with and plan to continue to work with third-party collaborators, such as CROs, to monitor and manage data for our ongoing preclinical and clinical programs. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our collaboration with the CROs and other third parties does not relieve us of our regulatory responsibilities. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCP, which are regulations and guidelines enforced by the NMPA and other comparable regulatory authorities for all of our product candidates in clinical development. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing preclinical studies, and clinical and non-clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or

terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed. Switching or adding additional CROs involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

We do not control our collaborators, therefore, we cannot ensure that these third parties will adequately and timely perform all of their obligations to us. If they fail to complete the remaining studies successfully, or at all, it could delay, adversely affect or prevent regulatory approval, which could materially and adversely affect our business, financial condition, cash flows and results of operations.

We may become involved in lawsuits to protect or enforce our intellectual property, or we may be sued for infringing, misappropriating or otherwise violating the intellectual property rights of third parties, such as the two Concerned Patent Applications, if granted with claims covering the current manufacturing process for XTR008, which could be expensive, time-consuming and unsuccessful.

Competitors or other third parties may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any claims that we assert against perceived infringers and other violators could also provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Therefore, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs.

Moreover, we may not be able to detect infringement against our patents. Even if we detect infringement by a third party of any of our patents, we may choose not to pursue litigation against or settlement with such third party. If we later sue such third party for patent infringement, the third party may have certain legal defenses available to it, such as the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us to enforce our patents against such third party. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Even if a defendant does not prevail on a legal assertion of invalidity or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. In addition, our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. No FTO analysis is performed for our non-Core Products or non-Key Products up to the Latest Practicable Date and therefore these product candidates may face freedom-to-operate risks, including risks of patent infringement claims, licensing disputes or restrictions relating to the development, manufacture or commercialization of such product candidates. If any third-party patents are found to cover technologies, compounds or manufacturing methods relevant to these product candidates, the Company may be required to obtain licenses, modify development plans, adopt alternative technologies or defend intellectual property claims, which could result in additional costs, delays or operational uncertainties. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation. For example, under the worst-case scenario, if the relevant patent application is granted with its current broadest pending claim scope and the current manufacturing process of XTR008 is determined to fall within its scope of protection, we may need to implement an alternative manufacturing process to avoid potential infringement. The implementation of such alternative manufacturing process may constitute a post-approval CMC change and require regulatory approval, which may take at least 15 to 18 months. During this period, the manufacturing and supply of XTR008 may be intermittently disrupted, which could adversely affect the commercialization of XTR008.

Currently, Novartis and its subsidiaries has one granted patent and nine patent applications in China, and other third-parties has six patent applications and PCT applications in China, all of which relate to XTR008. The scope of protection of these patent applications remains highly uncertain, and one or more of them may ultimately be granted as patents with claims that could potentially cover part of the XTR008 process. For a detailed analysis, see "Business – Intellectual Property." If we were found by courts or other competent authorities to have infringed on the patent or other intellectual property rights of third parties including but not limited to Novartis, we may be subject to injunctive or other equitable

relief, which could prevent us from developing and commercializing our products and product candidates, or at least delay the development or commercialization process. We may also be required to obtain and maintain licenses from third parties in order to continue the development of our product candidates or our general operations. Besides, we may become involved in patent infringement proceedings related to our in-licensed patents. We could be subject to such claims even if we are not the patentees, which may result in significant legal costs and business disruption.

We face intense competition, including competition between XTR008, Lutathera® and other generic drug candidates of Lutathera® in Chinese Mainland and overseas markets, and our competitors may discover, develop or commercialize competing products faster or more successfully than we do.

We face competition with respect to our current products and product candidates from existing products and product candidates under development in the relevant market, and we will face competition with respect to any product candidates that we may seek to develop or commercialize in the future. Even if successfully developed and subsequently approved by the NMPA or other comparable regulatory authorities, our product candidates may still face competition in various aspects, including safety and efficacy, the timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price and patent status. The radiopharmaceutical industry is currently focused on a limited number of radionuclides, targets and indications, which may lead to inevitable competition. See "Industry Overview." These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our competitors may succeed in developing competing products and obtaining regulatory approvals before us or achieve better acceptance in the markets in which we operate or have established a competitive position. If any of our competitors obtains regulatory approvals for products that may compete with our Core Products or other product candidates, we may lose our potential first-mover advantage for certain indications and result in negative impact on our financial performance.

Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors may succeed in developing, acquiring, or licensing products that are more effective or less costly than our product candidates or any future product that we may develop, or achieve earlier patent protection, regulatory approvals, product commercialization, and market penetration than we do. Our competitors also may obtain approval from the NMPA or other regulatory authorities for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. They may cause us to experience delay in obtaining regulatory approval for our product candidates or render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates.

In particular, certain targeted indications and molecular targets in the radiopharmaceutical industry are highly competitive. For example, the PSMA-targeted radiopharmaceutical landscape is intensely crowded. In addition, although we believe certain of our product candidates may have pricing advantages in China compared with competing imported products, including products commercialized by multinational pharmaceutical companies, such advantages may not be applicable in overseas markets, including the U.S., due to differences in healthcare systems, reimbursement mechanisms, market competition, regulatory requirements and operating costs. As a result, our product candidates may face intensified competition and pricing pressure in global markets.

Five of our product candidates are generic pharmaceuticals, including XTR008, XTR015, XTR020, XTR012, and XTR005. Such product candidates may face keen market competition from the originator drugs after being launched. In particular, XTR008 faces keen market competition from Lutathera® and other generic drug candidates of Lutathera® in China and global markets. Certain multinational pharmaceutical companies, including the originator company of Lutathera®, as well as other industry participants, may already have established market presence, commercialization capabilities, physician networks and strategic resources in overseas markets, including the U.S. As a result, even if XTR008 is successfully commercialized, it may face significant competitive pressure. In addition, we are investigating XTR008 as a Class 2.4 chemical drug for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. We may face patent disputes regarding our generic drugs and the Class 2.4 chemical drug. Furthermore, XTR004 potentially competes with several SPECT tracers, which have been approved for over three decades, and there were four types of approved PET-MPI tracers for CAD in the U.S. as of the Latest Practicable Date. If we fail to maintain the competitiveness of our products, our revenue and profitability may be materially and adversely affected.

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR PRODUCTS AND PRODUCT CANDIDATES

We may be unable to successfully complete clinical development, obtain regulatory approvals and achieve commercialization of our product candidates, or we may experience significant delays in doing any of the foregoing.

Our revenue and profitability are substantially dependent on our ability to complete the development of our product candidates, obtain requisite regulatory approvals and successfully manufacture and commercialize our product candidates. We have invested a significant portion of our efforts and capital resources in the development of our product candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our product candidates in the future.

We cannot guarantee that we will be able to obtain regulatory approvals for our product candidates in a timely manner, or at all. The success of our product candidates will depend on several factors, including but not limited to: (i) completion of preclinical studies as well as completion of clinical trials, (ii) obtaining sufficient supplies of any products that are used in combination with our product candidates, competitor products or comparison products that may be necessary for use in clinical trials for evaluation of our product candidates, (iii) successfully launching commercial sales of our product candidates, if and when approved, (iv) obtaining and maintaining favorable reimbursement from third-party payers for our product candidates, if and when approved, (v) success and sufficient market demand of our products, and (vi) continued acceptable safety profiles of our product candidates following regulatory approvals. If we do not achieve one or more of these in a timely manner or at all, we could experience significant delays or difficulties in obtaining approvals for and commercializing our product candidates, which would materially harm our business and may prevent us from generating sufficient revenues and cash flows to continue our operations.

We cannot guarantee that our research and development efforts will lead to successful outcomes.

The radiopharmaceutical industry is constantly evolving and in order to maintain our competitive position, we need to devote significant financial and other resources to our research and development activities to keep up with new technologies and methodologies. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB228.0 million, RMB237.5 million, RMB106.9 million and RMB156.6 million, respectively. We cannot assure you that we will be able to successfully identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our technology platforms and product candidates, and harm our business and prospects.

We may encounter unexpected difficulties executing our clinical trials and commercializing our product candidates on a timely basis.

Commencement of a clinical trial is subject to finalizing trial design based on ongoing discussions with the NMPA or other regulatory authorities. We cannot assure you as to when the clinical trials for our product candidates in discovery and preclinical stages will begin, if at all. The successful completion of clinical trials is an essential requirement to obtain NDA or similar approvals from the NMPA or other comparable regulatory authorities for each of our product candidates and, ultimately, the commercialization of our product candidates. Clinical trials are challenging to plan and carry out, and can take years to finish with no guarantee of success. Failure can occur at any time or stage during the clinical development process, which would result in a material and adverse effect on our business, financial condition and results of operations.

In particular, certain of our product candidates are subject to rigorous clinical and regulatory requirements due to their targeted indications and product characteristics. For example, Phase III clinical trials for cardiovascular diagnostic radiopharmaceuticals, including XTR004, may involve complex trial designs and stringent efficacy requirements, including validation against invasive reference standards such as fractional flow reserve. In connection with our planned clinical development of XTR004 in the U.S., the FDA may require additional clinical or bridging studies, U.S.-specific safety or dosimetry data, manufacturing comparability assessments or other supporting evidence. Any such requirements could prolong the clinical development and regulatory review process, result in substantial additional costs or prevent us from obtaining regulatory approval for XTR004 in the U.S. In addition, Alzheimer's disease

diagnostic clinical trials in the Chinese Mainland are subject to heightened regulatory scrutiny, and exceptional Phase III clinical trial results for XTR006 may be needed to satisfy the NMPA's demographic and statistical requirements. Regulatory authorities may also impose clinical holds or suspend clinical trials if severe safety concerns arise during the development process. Any of the foregoing may delay clinical development, increase development costs or adversely affect the regulatory approval and commercialization of our product candidates.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, or if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may: (i) be delayed in obtaining regulatory approval for our product candidates or not obtain regulatory approval at all, (ii) obtain approval for proposed indications that are not as broad as intended, (iii) have the product removed from the market after obtaining regulatory approval, (iv) be subject to additional post-marketing testing requirements, and (v) be subject to restrictions on how the product is distributed or used.

Delays in clinical trials or obtaining regulatory approvals may result in increases in our product development costs. Significant delays in clinical trials could also shorten any periods during which we have the right to commercialize our product candidates or allow our competitors to bring products to market before we do, which could impair our ability to commercialize our product candidates and may have an adverse effect on our business and results of operations.

Our rights to develop and commercialize our product candidates are subject, in part, to the terms and conditions of licenses granted to us by our licensors and collaborations with our co-developers.

We rely on licenses to certain patent rights and other intellectual property from our licensors and collaboration with our co-developers that are important or necessary to the development, manufacture or commercialization of our certain product candidates. For example, on July 31, 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in Chinese Mainland. Starting in August 2023, we entered into a series of agreements (the "**XTR020 Agreements**") with Blue Earth Diagnostics Limited ("**BED**") to in-license the exclusive patent rights controlled by BED for the development, manufacture, and commercialization of ^{18}F-Flotufolastat, also known as XTR020, as a radiopharmaceutical product for diagnostic imaging and staging of prostate cancer in Chinese Mainland. In August 2017, we entered into an agreement (the "**XTR005 Agreement**") with Piramal Imaging SA (later renamed Life Molecular Imaging SA, currently Lantheus Biosciences Ltd, "**LMI**") to in-license exclusive rights to develop, manufacture, and commercialize the ^{18}F-labeled Aβ-targeted PET tracer, XTR005, in Chinese Mainland. See "Business – Collaboration Arrangements." As certain product candidates are in-licensed, our rights are subject to the terms of the relevant license agreements and we may have limited control over certain matters relating to such product candidates.

The abovementioned licenses and collaborations involving our products and product candidates are subject to numerous risks, which may include the following: (i) collaboration or licensing arrangements may be terminated with short notice. Such termination may obligate us to pay damages, require us to invest additional capital to continue product development or commercialization, or cause us to lose the ability to develop or commercialize relevant products or product candidates, (ii) co-developers may have significant discretion in allocating efforts and resources. They may deprioritize, delay, or abandon development activities based on strategic realignment, clinical results, competitive pressures, funding challenges, or other external business factors, (iii) some of our product candidates rely on licensed patent rights and proprietary technologies from third parties. Our rights under these licenses may not be exclusive in all relevant fields or geographies, potentially limiting our ability to prevent competition or expand into new markets, (iv) the upstream license relationships of our licensors may influence our rights, (v) we usually have limited control over the filing, prosecution, maintenance, enforcement, or defense of the licensed patents or patent applications, (vi) disagreements over the interpretation of the terms of our license agreement and collaboration agreement, could lead to disputes that which may limit our rights or increase our financial obligations, and (vii) some or all of our rights under the license or collaboration agreements may be affected if any of our licensors or co-developers encounter financial problems. Each of these risks could delay or prevent R&D activities, result in higher costs, or adversely impact commercialization of our future approved product candidates.

As we expect to seek and form additional collaborations in the future, we face significant competition in seeking appropriate strategic partners and the negotiation process can be time-consuming and complex. If and when we collaborate with a third party for development and commercialization of a product candidate, we may be required to relinquish some or all of the control over the future success of that product candidate to the third party. The collaborators may also consider alternative product candidates or technologies that may be available. For any product candidates that we may seek to in-license from third parties, we may face significant competition from other radiopharmaceutical companies with greater resources or capabilities than us, and any agreement that we do enter into may not result in the anticipated benefits.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. As a result, we cannot be certain that, following a license and collaboration arrangement, we will achieve the revenue or net income that justifies such transaction or such other benefits that caused us to enter into the arrangement. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

We may encounter difficulties in enrolling patients in our clinical trials.

We may fail or experience significant delays to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the NMPA or similar regulatory authorities. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials. Patient enrollment for our clinical trials may be affected by many factors. For example, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in the clinical trials of our competitors' product candidates. Failure to enroll a sufficient number of patients in our clinical trials on a timely manner could prevent completion of our trials and adversely affect our ability to advance the development of our product candidates.

Adverse events or undesirable side effects caused by our product candidates could result in significant negative consequences.

AEs and undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a narrowed scope of indications or a more restrictive label of our product candidates, a delay or denial of regulatory approval by the NMPA or other comparable regulatory authorities, or a significant change in our clinical protocol or even our development plan. AEs related to our product candidates may also affect patient enrollment or the ability of enrolled patients to complete the trial, and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

For example, Grade ≥3 TEAEs related to XTR008 occurred in 51.0% of patients in the treatment group. There can be no assurance that more severe or unexpected adverse events will not occur in future clinical trials or after commercialization. Any significant safety concerns relating to XTR008 or our other product candidates may result in delays, suspension or termination of clinical trials, additional regulatory scrutiny, restrictions on approved indications or reduced market acceptance.

Additionally, any AEs or undesirable side effects caused by our product candidates after they receive regulatory approval may lead to potentially significant negative consequences which include, but are not limited to, the following: (i) regulatory authorities may withdraw approvals or revoke licenses of our approved product candidates, (ii) we, or our collaborating partner, as applicable, may have to suspend marketing of our approved product candidates, (iii) regulatory authorities may require additional warnings on the label of an approved product candidate or impose other limitations on an approved product candidate, and (iv) we could be subject to litigation proceedings and held liable for harm caused to patients exposed to or taking our product candidates, who may suffer from adverse events related to the treatment. Any of the abovementioned events could prevent us or our collaborating partner, as applicable, from achieving or maintaining market acceptance of any particular product candidate that is approved and could significantly harm our business, financial condition, results of operations and prospects.

Findings and results of pre-clinical studies or early clinical trials may not be predictive of future trial results.

The findings and results of preclinical studies or early clinical trials may not be predictive of the success of later phase clinical trials, and favorable initial or interim results of a clinical trial do not necessarily predict successful final results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. As product candidates are developed through preclinical to early-to late-stage clinical trials towards approval and commercialization, it is customary that various aspects of the development programs are altered along the way in an effort to optimize processes and results. Such changes carry the inherent risks that they may not necessarily achieve the intended objectives. In the case of any trials we conduct, results may differ from earlier trials due to, among other things, the larger number of clinical trial sites, additional countries and languages involved in such trials. Any of these changes could make the results of planned clinical trials or other future clinical trials we may initiate less predictable and could cause our product candidates to perform differently, which could delay completion of clinical trials, delay approval of our product candidates and/or jeopardize our ability to commence commercialization of our product candidates.

We may fail to capitalize on other product candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.

As we have limited financial and managerial resources, we focus our product pipeline around our strategically focused three areas. As a result, we may forgo or delay pursuit of opportunities with other product candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain development and commercialization rights to such product candidate, or we may allocate internal resources to a product candidate in an area in which it would have been more advantageous to enter into a partnering arrangement.

We may not be able to identify, discover or develop new product candidates, or to identify or develop new indications for our product candidates, or to expand or maintain our product pipeline.

The success of our business depends in part upon our ability to identify, discover, develop or commercialize additional product candidates, or to identify or develop new indications for our product candidates. We may consider pursuing collaboration with third parties in the discovery and development of potential product candidates, but we cannot assure you that such collaboration will be able to deliver the intended results.

Our research programs may initially show promising results in identifying potential indications and/or product candidates, yet fail to yield results for clinical development for a number of reasons, including, without limitation, the following: (i) our research or business development methodology or search criteria and process may be unsuccessful in identifying potential indications and/or new product candidates, and (ii) our potential product candidates may, after further study, be shown to have harmful side effects or may have other characteristics that may make the product candidates unlikely to achieve desired efficacy, unmarketable or unlikely to receive marketing approval.

Accordingly, there can be no assurance that we will be able to identify new product candidates or develop new indications for our product candidates or to develop suitable potential product candidates through internal research programs. We may invest efforts and resources in potential product candidates or indication expansions that ultimately prove to be unsuccessful. Any of the foregoing events will have a material adverse effect on our business, results of operations and prospects.

The data and information that we gather in our research and development process could be inaccurate or incomplete.

We collect, aggregate, process, and analyze data and information from our preclinical studies and clinical trials. We also engage in substantial information gathering following the identification of a promising product candidate. If we make mistakes in the capture, input, or analysis of these data, our ability to advance the development of our product candidates may be materially harmed and our business, prospects and reputation may suffer.

We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our product candidates, for which we manage and submit data to governmental authorities. These processes and submissions are governed by complex data processing and validation policies and regulations. Notwithstanding such policies and regulations, interim, top-line or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data, in which case we may be exposed to liability to a patient, court or government agency that concludes that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In conducting drug discovery, development and commercialization, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical trials and any future commercialization of our product candidates. We may be sued if our product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Claims could also be asserted under applicable laws and regulations. Liability claims may result in injury to our reputation, withdrawal of clinical trial participants and inability to continue clinical trials, initiation of investigations by regulators, substantial monetary awards to trial participants or patients, product recalls, withdrawals, or labeling, marketing or promotional restrictions, loss of revenue, exhaustion of any available insurance and our capital resources, decreased market demand for approved product candidates, the inability to commercialize any approved product candidate, and a decline in the market price of our H Shares.

To cover such liability claims arising from clinical studies, we purchase clinical trial insurance to cover adverse events in our clinical trials. It is possible that our liabilities could exceed our insurance coverage or that our insurance will not cover all situations in which a claim against us could be made. We may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims are brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired. Should any of these events occur, it could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to obtain approval from the NMPA, or other comparable regulatory authorities for our drug candidates to be eligible for an expedited registration pathway as innovative or breakthrough therapy.

The NMPA, and the comparable regulatory authorities in other jurisdictions may have implemented expedited review programs for drug candidates, among others, which are innovative drug applications, or which treat a serious or life-threatening condition and provide meaningful therapeutic benefit over available therapies. The NMPA's Breakthrough Therapy Designation, for example, is intended to facilitate and expedite the development and review of an investigational drug to treat a serious disease or condition when preliminary clinical evidence indicates that the drug has demonstrated substantial improvement over current therapies. We plan to apply for expedited review programs for certain of our product candidates. There can be no assurance, however, that the regulatory authorities will consider granting expedited review programs for our product candidates. Any failure to obtain accelerated approvals or any other form of expedited development, review or approvals for our product candidates could result in a longer period of time prior to the commercialization of such drug candidate, an increase in the development expenses for such product candidate and an adverse impact on our competitive position in the market.

RISKS RELATING TO SALES AND COMMERCIALIZATION OF OUR PRODUCTS AND PRODUCT CANDIDATES

We may not be able to maintain and expand an effective sales network for our products and future approved product candidates.

We rely on our in-house sales and marketing team and engage third parties to market, promote and distribute our products. For details, see "Business – Marketing and Sales." As we have just commenced commercial sales of 歐達樂® in 2023 and XTR005 (歐韋寧®) in 2025, respectively, we do not have a proven track record of successfully marketing or selling our products. We have limited experience in building a commercial team, conducting a comprehensive market analysis, obtaining licenses and approvals, or managing sales force for our products and future approved product candidates. Sales efforts of pharmaceutical products necessitate our sales and marketing force to possess a relatively high level

of technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant therapeutic areas and products, as well as sufficient promotion and communication abilities. If we are unable to effectively train our in-house sales representatives or monitor and evaluate their academic marketing performances, our sales and marketing may be less successful than desired. Moreover, our ability to attract, motivate and retain a sufficient number of qualified sales professionals is especially important because we primarily rely on our in-house sales force to market our products. We may be unable to attract, motivate and retain a sufficient number of marketing, promotion and sales professionals. Consequentially, sales volume of our products may be adversely affected and we may be unable to expand our coverage of hospitals, pharmacies and other medical institutions or increase our market penetration as contemplated.

The actual markets for our current or future product candidates may be smaller than our estimates.

Our projections of the number of patients who have the potential to benefit from treatment with our products and product candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources. Given the high costs of raw materials, the price of our radiopharmaceutical products when approved for marketing may be high, which may lead to a limited patient population with the ability to afford. Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our product candidates may be smaller than our estimates. In addition, there is no guarantee that any of our products and future approved product candidates would be approved for the indications we are aiming for. While we may seek approval for our product candidates as an early-line therapy for certain indications, there is no guarantee that they will be approved as such. As a result, even if we obtain market approval for our product candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

Our products and future approved product candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community.

Our products and future approved product candidates may fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. It may also take a longer time and more effort in education and promotion to establish market acceptance of our products and future approved product candidates as there is no commercialized domestically-developed radioligand therapy in China as of the Latest Practicable Date. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors. For example, the market size for XTR004 may be affected by limited reimbursement coverage for PET/CT imaging, relatively high out-of-pocket costs, and the availability of PET/CT equipment and qualified nuclear medicine facilities. If any approved product candidates that we commercialize fail to achieve market acceptance in the medical community, we will not be able to generate significant revenue. Even if our future approved product candidates achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies introduced that are more favorably received or more cost-effective. Our failure to achieve or maintain market acceptance for our future approved product candidates would materially adversely affect our business, financial condition, results of operations and prospects.

Our product candidates may not be covered by insurance or reimbursement programs or may become subject to unfavorable insurance policies or reimbursement practices, and we may be subject to unfavorable pricing regulations.

Our ability to commercialize any approved product candidates successfully will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. In China, the NRDL determines a pharmaceutical product's reimbursement standards for program participants under the National Medical Insurance Program. There is no assurance that any of our future approved product candidates will be included in the NRDL, especially considering that there is no commercialized domestically-developed radioligand therapy in China as of the Latest Practicable Date. If we fail in our efforts to have our products included in the NRDL, our revenue from commercial sales would be highly dependent on patient self-payment, which may make our products less competitive. Additionally, even if the Ministry of Human Resources and Social Security of China or any of its local counterparts were to accept our application for the inclusion of products in the NRDL, our potential revenue from the sales of these products could still decrease as a result of the significantly lowered prices we may be required to charge for our products to be included in the NRDL.

Even if we obtain coverage for a given product, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payers may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our future approved product candidates. Patients are unlikely to use any of our future approved product candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the products. Increasingly, third-party payers are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidates that we successfully develop.

There may be significant delays in obtaining reimbursement for approved product candidates, and reimbursement coverage may be more limited than the approved indications of the product candidates by the NMPA or other comparable regulatory authorities. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on payments allowed for lower cost drugs that are already reimbursed, and may be incorporated into existing payments for other services. Our inability to promptly obtain reimbursement coverage at profitable payment rates from both government-funded and private payers for any future approved product candidates and any new products that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

Real or perceived incidents of severe side effects caused by our products or future approved product candidates could materially and adversely affect our reputation and results of operations.

Our products and future approved product candidates may cause undesirable or unintended side effects as a result of a number of factors, many of which are outside our control. Further, our products and future approved product candidates may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar active pharmaceutical ingredients, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects, or if regulators or international institutions determine that products containing the same or similar pharmaceutical ingredients as our products' could cause or lead to severe side effects. Our products and future approved product candidates may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable. If our products and future approved product candidates cause, or are perceived to cause, severe side effects, we may face a number of consequences, including, but not limited to: (i) injury or death of patients; (ii) a severe decrease in the demand for, and sales of, the relevant products; (iii) recall or withdrawal of the relevant products; (iv) revocation of regulatory approvals for the relevant products or the relevant production facilities; (v) damage to the brand name of our products and the reputation of our Company; and (vi) breach of contract with our major customers. Such incidences may cause negative publicity and have material adverse impact on our business and results of operations.

There may be adverse drug reactions and negative results from off-label use of our products or future products.

Products distributed or sold in the radiopharmaceutical market may be subject to off-label drug use, i.e., prescribing a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. As such, there remains the risk that our products and future approved product candidates are subject to off-label drug use and are prescribed in a patient population, dosage or dosage form that has not been approved by competent authorities, rendering our products and future approved product candidates less effective or entirely ineffective and causing adverse drug reactions. Any of these occurrences can create negative publicity and significantly harm our business reputation, product brand name, commercial operations and financial condition, including our share price.

Guidelines, recommendations and studies published by various organizations could disfavor our products and product candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' products and product candidates. Any such guidelines, recommendations or studies that reflect negatively on our product candidates, either directly or relative to our competitive product candidates, could result in current or potential decreased use, sales of, and revenues from one or more of our products and product candidates. Furthermore, our success depends

in part on our and our partners' ability to educate healthcare providers and patients about our products and product candidates, and these education efforts could be rendered ineffective by, among other things, third-parties' guidelines, recommendations or studies.

RISKS RELATING TO MANUFACTURING OF OUR PRODUCTS AND PRODUCT CANDIDATES

We have limited experience in manufacturing radiopharmaceutical products on a large commercial scale.

As of the Latest Practicable date, we had three manufacturing facilities located in Wuxi, Jiangsu Province, Zhongshan, Guangdong Province and Mianyang, Sichuan Province for the manufacturing of our products and product candidates and our CDMO services. However, as we have begun providing CDMO services since 2023 and manufacturing our commercialized products since 2025, our experience in manufacturing radiopharmaceutical products on a commercial scale is limited. The problems that may arise from the manufacturing process include but are not limited to: (i) failure to follow specific protocols and procedures, (ii) changes in product specification, (iii) low quality or insufficient supply of raw materials, such as radioisotopes, (iv) changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements, (v) changes in the types of products produced, (vi) advances in manufacturing techniques, (vii) physical limitations that could inhibit continuous supply, and (viii) man-made or natural disasters and other environmental factors.

If problems arise during the production process of certain future products, a batch or several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the products are released to the market, recall and product liability costs may also be incurred.

In addition, the quality of our products manufactured by us for commercial use in the future depends significantly on the effectiveness of our quality control and quality assurance. Any significant failure or deterioration of our quality control and quality assurance procedures could render our products unsuitable for use, or not in compliance with the relevant requirements of the cGMP and/or harm our market reputation and relationships with business partners. Any such developments may have a material adverse effect on our business, financial condition and results of operations.

The successful commercialization of radiopharmaceutical products in the Chinese Mainland also depends on hospitals with qualified and radiopharmaceutical-compliant infrastructure and licenses in the Chinese Mainland. As the number of such qualified hospitals is limited, the commercialization and revenue generation of our product candidates may be adversely affected.

Damage to, destruction of or interruption of production at our manufacturing facilities could affect our development plans for our product candidates, commercialization plans for our products or future approved product candidates or ability to providing CDMO services.

Our manufacturing facilities are required to obtain and maintain regulatory approvals, including being subject to ongoing, periodic inspection by the NMPA or other comparable regulatory authorities to ensure compliance with cGMP regulations. Failure to obtain and maintain such regulatory approvals may materially affect our R&D activities, seriously delay the clinical trials and commercialization of our products and product candidates, once approved, and cause interruption to our CDMO business. We may also encounter problems with achieving adequate or clinical-grade products that meet the NMPA or other comparable regulatory agency standards or specifications, maintaining consistent and acceptable production costs. Such an event could delay our clinical trials, affect the availability of our products for commercial sale and/or cause delays in delivering products to our CDMO customers. Moreover, we may spend significant time and costs to remedy these deficiencies before we can continue production at our manufacturing facilities. We may also be subject to sanctions for failure to comply with applicable regulations, which could materially and adversely affect our business.

In addition, if our manufacturing facilities or the equipment in them are damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all, and we might not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming. Such an event could delay our clinical trials, reduce our product sales or cause the loss of our CDMO customers. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials, commercialization or CDMO services. Any disruption that impedes our ability to manufacture product candidates or products in a timely manner could materially and adversely affect our business, financial condition and operating results.

We may not be able to meet the increasing demand for our products or future approved product candidates.

To produce our increasing number of products and product candidates, if approved, in the quantities that we believe will be required to meet anticipated market demand, we may need to increase, or "scale up," our production capacity over the initial level of production by constructing new manufacturing facilities and production lines. If we are unable to do so, we may not be able to product our future approved product candidates in sufficient quantities to meet future demand. Moreover, our plans to increase our production capacities require significant capital investment, and the actual costs of our expansion plan may exceed our original estimates, which could adversely affect the return on our expenditure. Furthermore, we may not be able to fully utilize them immediately or within a reasonable period of time after we commence operation. During the construction and ramp up period, there may be significant changes in the macroeconomics of the radiopharmaceutical industry, including, among other things, market demand, product and supply pricing trends and customer preferences. Any adverse trends in these respects could result in operational inefficiency and unused capacity in our facilities.

The supplies of radioisotopes and other raw materials may not be available to us on acceptable terms or at all, and an increase in the market prices of such supplies may adversely affect our results of operations.

We procure raw materials, such as radioisotopes, from third-party suppliers around the world for our manufacturing needs. There is no assurance that we will be able to, at all times, procure the materials we need in adequate amount or on commercially reasonable terms, in a timely manner or at all. We might in the future encounter temporary difficulties in sourcing key raw materials as a result of various reasons, such as health epidemics or outbreaks of contagious diseases as well as natural disasters, regulatory actions or requirements, unexpected demands, or quality issues. In addition, since we currently procure and plan to continue procuring radioisotopes produced by foreign manufacturers, the changes in international trade and political relations, as well as the import and export regulations of relevant countries may affect our radioisotope procurement.

In particular, as we expand into overseas markets, including the U.S., we may face additional uncertainties arising from cross-border regulatory requirements, import or export controls and evolving geopolitical conditions, which could disrupt or delay our procurement of critical materials. In addition, radioisotopes are typically characterized by short half-lives and high time sensitivity, requiring prompt production, transportation and delivery under strictly controlled conditions. Any disruption in logistics or transportation, including customs clearance delays, regulatory inspections, or restrictions on the transportation of radioactive materials, could materially affect our ability to deliver our products in a timely manner. Such disruptions may be exacerbated by geopolitical developments, changes in international aviation or transportation policies, or heightened regulatory scrutiny in certain jurisdictions. Failure to obtain sufficient supply of these materials could adversely affect our ability to satisfy demand for our product candidates, which could adversely and materially affect our development process, future commercialization efforts and operating results.

Furthermore, as our manufacturing processes require substantial amounts of supplies, fluctuations in price of such supplies may directly and adversely impact on our profitability. During the Track Record Period, we had not experienced significant fluctuations in prices of supplies, and they are generally available and in sufficient quantity to meet our demands. However, the prices of supplies we use in manufacturing our products and product candidates may be affected by a number of factors. A significant increase in the costs of supplies may directly and negatively affect our profit margins and, ultimately, our business, financial conditions, results of operation and prospects.

RISKS RELATING TO OUR CRO AND CDMO BUSINESS

In conducting radiopharmaceuticals discovery, development and manufacturing, we face potential liabilities, in particular, product liability risks.

We typically undertake to defend, indemnify and hold our customers harmless from and against any liabilities and damages resulting from any third party claims, demands, suits or proceedings to the extent arising out of or relating to our negligence, willful misconduct, unlawful activities or material breach of the long-term service agreement or project-based service contract or a work order under the long-term service agreement. In particular, we may face product liability risks if the radiopharmaceuticals we help to discover, develop or manufacture are subject to product liability claims. We provide services in the discovery, development and commercial manufacturing of radiopharmaceuticals that are intended ultimately to be used in humans, either in clinical trials or as marketed products, although we do not commercially market or sell these products to end users. If any of these radiopharmaceuticals harms people due to our negligence, willful

misconduct, unlawful activities or material breach, we may be subject to litigation and may be required to pay damages. Damages awarded in a product liability action could be substantial and could have a material and adverse impact on our reputation, business, financial condition, results of operations and prospects.

The radiopharmaceuticals we help to discover, develop or manufacture may cause undesirable adverse events or have other properties that could delay or prevent their regulatory approval, limit their commercial profile or harm our reputation.

Undesirable adverse events caused by the radiopharmaceuticals we help to discover, develop or manufacture could cause our customers or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval for the relevant products. Results of our customers' trials could reveal a high and unacceptable level of severity or prevalence of adverse events. In such event, trials could be suspended or terminated and the regulatory authority may order our customers to cease further development of, or deny approval of, such products. If any of adverse events is attributable to or associated with our services, with or without merits, our reputation may be harmed, which may cause a decline in customer demand for our services and materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We and our current or future collaborating partners may be unable to protect our intellectual property rights worldwide, or the scope of such intellectual property rights obtained may be not sufficiently broad or a compulsory license is issued.

We seek to protect the product candidates and technologies that we consider commercially important by filing patent applications in China and other jurisdictions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. If we or our current or future collaborating partners are unable to obtain and maintain patent and other intellectual property protection with respect to our product candidates and technologies, our business, financial condition, results of operations and prospects could be materially harmed. We and our collaboration partner may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner in all desirable jurisdictions and, therefore, may not be able to prevent competitors or other third parties from developing and commercializing competitive products in all such fields and jurisdictions. The requirements for patentability differ in certain jurisdictions. In addition, many jurisdictions limit the enforceability of patents against government agencies or government contractors. In these jurisdictions, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we are forced to grant a license to third parties with respect to any patent or patent application relevant to our business, our competitive position may be materially impaired and our business, financial condition, results of operations and prospects may be adversely affected.

It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Any parties who have access to confidential or patentable aspects of our research and development output, such as our employees and third-party contractors, may breach non-disclosure and confidentiality agreements or clauses and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Furthermore, China has adopted the "first-to-file" system, under which the first inventor to file a patent application will be awarded the patent if all other patentability requirements are met. Under the first-to-file system, third parties may be granted a patent relating to a technology which we invented. In addition, under the PRC Patent Law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to file in advance to CNIPA, for confidentiality examination. Otherwise, if an application is later filed in China, the patent right will not be granted. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Our patent rights may be challenged and invalidated.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and patents we currently own or could be granted in the future may be challenged in the courts or patent offices in China and other jurisdictions. We may be subject to claims that former employees, collaborators

or other third parties have an interest in our patents or other intellectual property or become involved in opposition, derivation, revocation, reexamination, post-grant and *inter partes* review, or interference proceedings challenging our patent rights or the patent rights of others. Any of the foregoing could result in a material adverse effect on our business, financial condition, results of operations or prospects. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

Specifically, any of such registered patents could be narrowed, challenged or invalidated due to any interference proceedings or other priority or validity disputes. Third parties may also raise similar patent invalidity claims before administrative bodies in China or in other jurisdictions, even outside the context of litigation. Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer adequately cover and protect our product candidates. Even if a third party does not prevail on a legal assertion of invalidity or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against such third party and others. In addition, the radiopharmaceutical industry is highly patented, and many technologies, compounds, radionuclides, formulations, excipients, manufacturing processes, quality control methods and applications are protected by extensive patent portfolios owned by third parties. Certain third parties may apply for or obtain patents covering technologies radionuclides, formulations, excipients, or manufacturing processes that are similar or relevant to those used in our products or product candidates. If such patents are granted, we may face restrictions or delays in the commercialization of our products and may be required to modify our production methods or develop alternative technologies. These adjustments could involve additional R&D investment, extend our product development timelines, and adversely affect our financial performance and operations.

Even if we obtain patent protection for our products and product candidates, the term of such protection, if any, is limited.

Although various adjustments and extensions may be available, the term of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years for invention in the PRC. Generic or biosimilar medications may obtain marketing approval following our patent expiration. The patents and pending patent applications, if issued, for our product candidates are expected to expire on various dates. For the expiration dates of our registered patents for our product candidates, please see "Business – Intellectual Property." Upon the expiration of our registered patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours, which could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Our trademarks and trade names may not be adequately protected.

We cannot assure you that any trademark applications we may file in the future will be approved. During trademark registration proceedings, we may receive rejections and although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the CNIPA and in proceedings before comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature in the future, upon regulatory approval, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks and we may encounter lawsuits related to trademarks and trade names. We may be unsuccessful to protect our rights to these trademarks and trade names. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over

the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Failure to obtain the patent term extension for products could increase the risk of early generic competition for our products.

In China, the fourth Amendments to the PRC Patent Law (《中華人民共和國專利法》), which was adopted on October 17, 2020 and was put into effect on June 1, 2021, introduces patent term extension system for drug patents. The PRC Patent Law stipulates that the Patent Administration Department under the State Council shall, upon request of the patentee, extend the patent term of relevant invention patents of the new drug that is approved to be listed on the market in China, to compensate for the time spent for the review and examination and approval of the listing of a new drug on the market. The compensated extension shall not exceed five years, and the total valid patent term after the new drug is approved for the market shall not exceed 14 years. If we fail to apply for such patent term extension in accordance with the applicable NMPA requirements, we may not be able to benefit from those benefits.

We may not be able to protect the confidentiality of our trade secrets.

In addition to our registered patents and pending patent applications, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our product candidates. We seek to protect our trade secrets and confidential information, in part, by entering into non-disclosure and confidentiality agreements or clauses with parties that have access to trade secrets or confidential information. However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements or clauses. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Any of the parties with whom we enter into confidentiality agreements or clauses may breach or violate the terms of any such agreements or clauses and may disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach or violation. As a result, we could lose our trade secrets and third parties could use our trade secrets to compete with our product candidates and technology. Additionally, we cannot guarantee that we have entered into such agreements or clauses with each party that may have or has had access to our trade secrets or proprietary technology and processes. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their former employers, or claims asserting ownership of what we regard as our own intellectual property.

Many of our employees, consultants, and advisors, including our senior management, may currently be, or were previously employed at other pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or be required to obtain licenses to such intellectual property rights, which may not be available on commercially reasonable terms or at all. An inability to incorporate such intellectual property rights would harm our business and may prevent us from successfully commercializing our product candidates.

In addition, while we typically require our employees and contractors who may be involved in the conception or development of intellectual property to enter into agreements or clauses assigning such intellectual property to us, we may be unsuccessful in executing such an agreement or clause with each party who in fact develops intellectual property that we regard as our own. Furthermore, even when we obtain agreements or clauses assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing, or the assignment agreements or clauses may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements or clauses with us may have pre-existing or competing obligations to a third party, such as an academic institution, and thus an agreement or clause with us may be ineffective in perfecting ownership of inventions developed by that individual. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights.

Intellectual property and other laws and regulations are subject to development, which could diminish the value of our intellectual property and impair the intellectual property protection of our product candidates.

Our success is heavily dependent on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry involves technological and legal complexity and is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in different jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights. The changes in laws either of China or foreign jurisdictions may impact the value of our patent rights or our other intellectual property rights, all of which could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial conditions, results of operations and prospects.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance with those requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA, and other patent agencies in several stages over the lifetime of a patent. The CNIPA, and other similar governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application and maintenance process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

We may not successfully obtain or maintain necessary rights for our development pipeline through in-licenses and acquisitions, and we may face disputes regarding to our historical patent transfers.

We may be unable to acquire or in-license any compositions, methods of use, or other intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

Intellectual property rights do not necessarily protect us from all potential threats.

The degree of protection afforded by our intellectual property rights is essentially uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. The limitations of currently available intellectual property protection regimes include that: (i) others may be able to make products that are similar to any of our product candidates or utilize similar or alternative technology that are not covered by the claims of the patents that we own or have exclusively licensed now or in the future, (ii) others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our intellectual property rights, (iii) our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets, (iv) we may obtain patents for certain compounds many years before we obtain marketing approval for products containing such compounds, and because patents have a limited life, which may begin to run prior to the commercial sales of the related product, the commercial value of our patents may be limited, (v) the proprietary technologies on which we rely may not be patentable, (vi) the patents of others may materially and adversely affect our business, and (vii) we may choose not to file a patent for certain trade

secrets or know-how, yet a third party may subsequently file a patent covering such intellectual property. Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development and commercialization of radiopharmaceutical products are heavily regulated.

All jurisdictions in which we develop product candidates and commercialize our products regulate these activities in great depth and detail. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in these regions. Failure to comply with the applicable regulatory requirements in the jurisdictions we operate or target to operate in the future at any time during the product development process or approval process, or after approval, may subject an applicant to administrative or judicial sanctions. Any occurrence of the administrative or judicial sanctions could therefore materially and adversely affect our business, financial condition, results of operations and prospects.

Any failure to comply with existing laws, regulations and industry standards could result in fines or other punitive actions against us, the termination of ongoing research and the disqualification of data for submission to regulatory authorities, or a ban on the future sales of our products, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations and prospects. In addition, any action against us for violation of the relevant laws, regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and adversely affect our reputation and financial results.

The regulatory approval processes of the NMPA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable.

We are subject to risks associated with obtaining regulatory approvals. Difficulties and failures in doing so may expose us to various harms. The time required to obtain approvals from the relevant regulatory authorities in different jurisdictions is unpredictable. We cannot assure you that we will be able to meet regulatory requirements of different jurisdictions or that our product candidates will be approved for sale in those jurisdictions. Additional time, effort and expense may be required to bring our product candidates, upon regulatory approval, to different markets in compliance with different regulatory processes.

We may fail to receive the regulatory approvals from the NMPA or other comparable regulatory authorities for our product candidates due to a number of reasons, including: (i) disagreement in the design or implementation of our clinical trials, (ii) failure to demonstrate that a product candidate is safe and effective for its proposed indication, (iii) insufficient or suboptimal data collected from the clinical trials, or failure of our clinical trial results to meet the level of statistical and medical significance required for approvals, (iv) failure of our clinical trial process to pass GCP inspections, (v) unexpected changes in regulations, testing requirements, or approval policies that render our preclinical and clinical data insufficient for approval, (vi) failure of our clinical sites to pass audits carried out by the NMPA or other comparable regulatory authorities, resulting in a potential invalidation of our research data, and (vii) findings of deficiencies related to our manufacturing processes or the manufacturing facilities of third-party manufacturers from whom we procure clinical and commercial supplies, such as failure to pass GMP inspections.

Additionally, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Seeking regulatory approvals in various jurisdictions could result in significant delays, difficulties and costs for us, and we cannot assure you that we will be able to meet regulatory requirements of different jurisdictions. The NMPA or other comparable regulatory authorities may require more information to support approval, which may result in delay in regulatory approval and commercialization plans or denial of regulatory approval. In the case where an approval is issued, regulatory authorities may approve fewer indications, including undesired indications, of our product candidates than the indications we applied for.

Also, failure to obtain regulatory approvals in a timely manner, or at all, or failure to obtain regulatory approvals with an intended scope of indications could have a negative impact on the commercial prospects of our product candidates, and may cause reputational damage. If any of our product candidates fails to demonstrate safety and efficacy to the satisfaction of regulatory authorities or does not otherwise produce positive results in future clinical trials, we would not be able to realize any revenue on such product candidate.

We or the parties on whom we rely may fail to obtain, maintain or renew necessary licenses, permits, certificates or regulatory approvals for the development, manufacture and sales of our products and future approved product candidates.

As a radiopharmaceutical company, we are required to obtain, maintain and renew various permits, licenses and certificates relating to the development, manufacture, storage, transportation, distribution and sale of radiopharmaceutical products, including as Radiopharmaceutical Production License (放射性藥品生產許可證), Radiopharmaceutical Business License (放射性藥品經營許可證) and Radiation Safety Permit (輻射安全許可證) to develop, manufacture and sell our products and future approved product candidates. Please see "Business – Licenses, Permits and Approvals." Third parties, such as suppliers, CROs, and CMOs on whom we may rely to develop, manufacture and sell our products, may be subject to similar requirements. We and our business partners may also be subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates, which may result in suspension or interruption of our research and development, manufacturing, transportation or commercialization activities. Moreover, the criteria used in reviewing applications for, or renewals of permits, licenses and certificates may develop from time to time, and there can be no assurance that we or the parties on whom we rely will be able to meet new criteria that may be imposed to obtain or renew the necessary permits, licenses and certificates. Many of such permits, licenses and certificates are material to the operation of our business, and if we or our business partners fail to maintain or renew material permits, licenses and certificates, our ability to conduct our business could be materially impaired.

Any developments in the standards used by governmental authorities in considering whether to renew or reassess our or our business partners' licenses, permits and certifications, as well as enactment of any new regulations that may restrict the operation of our business, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our profitability and prospects. Furthermore, if the interpretation or implementation of existing laws and regulations develop, or new regulations come into effect, requiring us or the parties on whom we rely to obtain any additional permits, licenses or certifications that were previously not required to operate our business, there can be no assurance that we or the parties on whom we rely will successfully obtain such permits, licenses or certifications.

Developments in laws and regulations relating to the pharmaceutical industry may result in additional compliance risks and costs.

In China and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the pharmaceutical industry and the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved products and affect our ability to profitably sell any product candidates for which we obtain marketing approval. As certain of our product candidates are in commercial or near-commercial stages as of the Latest Practicable Date, these legislative trends and regulatory measures can potentially affect the sales, profitability and prospects of our product and future approved product candidates. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these laws and regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

We are subject to stringent privacy laws, information security policies and regulations on transferring data abroad or using human genetic resources collected.

We routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, state, national and international data protection and privacy laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the "**Scientific Data Measures**"), which provides that enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the PRC government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given that the term "state secret" is not clearly defined in the Scientific Data Measures, if and to the extent any data collected or generated in connection with our R&D of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad.

The Regulations on the Management of Human Genetic Resources of the People's Republic of China (《中華人民共和國人類遺傳資源管理條例》) ("**Human Genetic Resources Regulations**"), promulgated by the State Council, effective from May 1, 2024, regulate the collection, preservation, utilization, and provision of Chinese human genetic resources to foreign parties. Violation of Human Genetic Resources Regulations may result in a range of adverse consequences for us, including warnings, revocation of administrative licenses and fines.

The landscape of cybersecurity and data privacy and security laws is constantly evolving. For example, the SCNPC promulgated the Cybersecurity Law (《網絡安全法》), the Data Security Law (《數據安全法》), and the Personal Information Protection Law (《個人信息保護法》). Complying with new laws and regulations could substantially increase the costs or require us to change our business practices in a manner materially adverse to our business. Additionally, to the extent we are found by the PRC regulators to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend our operations or other regulatory and disciplinary sanctions.

Cyberspace Administration of China (the "**CAC**"), together with other relevant administrative departments, jointly promulgated the revised Cybersecurity Review Measures (《網絡安全審查辦法》) with effect from February 15, 2022, according to which, the purchase of network products and services by a critical information infrastructure operator (the "**CIIO**") or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, an online platform operator who possesses personal information of over one million users and intends for listing in a foreign country (國外上市) must be subject to the cybersecurity review. However, there has been no further explanation or interpretation for "foreign listing" or "affect or may affect national security" under the aforementioned regulation. In addition, we cannot rule out the possibility that the relevant government authorities may conduct cybersecurity review on us according to the Cybersecurity Review Measures. If a cybersecurity review for any of our activities is required, we will actively cooperate with the CAC to conduct such cybersecurity review. Any failure to obtain such approval or clearance from the regulatory authorities could materially constrain our liquidity and have a material adverse impact on our business operations and financial results, especially if we need additional capital or financing. The Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**") was promulgated by the State Council, which came into effect on January 1, 2025. The Data Security Regulations provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. However, the Data Security Regulations provide no further explanation or interpretation for the criteria on determining the risks that "affect or may affect national security". Additionally, since the Data Security Regulations are still relatively new, the interpretation and implementation of these regulations may further evolve and develop.

Moreover, the regulatory framework on cross-border transfer of personal information and data worldwide is rapidly evolving and is likely to remain uncertain due to lack of clear explanation and instruction on enforcement. For example, in recent years, China has promulgated several laws and regulations on cross-border data transfer, including but not limited to the Data Security Law, the Personal Information Protection Law, the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), the Measures for the Administration of Standard Contractual Clauses for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) and the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》). We cannot guarantee if these rules or regulations promulgated will impose additional compliance requirements, including any approval, filing and other administrative measures thereunder, and we cannot guarantee that the measures we have taken or will take in the future will always be effective or fully satisfy the relevant regulatory requirements under the relevant laws and regulations, including obtaining such approval, filing and other administrative measures in a timely manner, or at all.

We could be adversely affected as a result of certain transactions or operations that are, or become subject to, sanctions or export control measures administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions or export control restrictions against certain countries or against targeted industry sectors, groups of companies or persons, and/or organizations within certain countries.

These measures are often shaped by broader geopolitical dynamics, including changes in the overall relationships between China and other countries and regions such as the United States. Any deterioration in such relationships, or the adoption of new or more restrictive trade-related measures, could disrupt global supply chains, increase costs of raw materials, components or technologies, reduce cross-border trade, investment and technology exchange, and affect our business prospects, business partners, suppliers, customers and access to capital. Such developments may also adversely affect global economic conditions, financial market stability and the trading price of our H Shares.

Regarding the primary sanctions risks, during the Track Record Period and up to the Latest Practicable Date, we have transacted with a total of four entities, each of which was, at the time of the relevant transaction or subsequently, listed on relevant sanctions and export control lists maintained by the United States, the United Kingdom, the European Union, Japan and other relevant jurisdictions, specifically, the METI MEU List maintained by the Japanese Ministry of Economy, Trade and Industry, or the METI, the Entity List maintained by the BIS, and the Unverified List also maintained by the BIS. As advised by our International Sanctions Legal Advisor, given that (i) our transactions are not related to the development of weapons of mass destruction, missiles or conventional weapons, (ii) no items subject to the EAR were involved in our transactions with these entities, our transactions and procurements did not represent a violation of the applicable International Sanctions or applicable export control laws and regulations. Please See "Business Section – Business Activities In Relation To Region And Entities Subject To International Sanctions And Entity Subject To Export Controls – Primary Sanctions" for more details.

Regarding the secondary sanction risks, the U.S. enacted "secondary" sanctions that apply extraterritorially to the activities of non-U.S. persons, including transactions with specially designated nationals ("**SDNs**") or certain sectors in sanctioned countries, even when the transaction has no U.S. nexus. Providing material support for such activities and sectors, or engaging in "significant" transactions with SDNs can be viewed as engaging in Secondary Sanctionable Activities as defined in Chapter 4.4 of the Guide. Specifically, the U.S. has enacted secondary sanctions targeting non-U.S. persons who engage in certain transactions or activities involving designated sectors of the Russian economy or persons designated as SDNs in Russia. As advised by our International Sanctions Legal Advisor, only the transactions involving Russia (the procurement of Russia-origin Ytterbium-176 from a non-sanctioned China-based entity and transfer of Russia-origin Ytterbium-176 to INPC) would give rise to secondary sanctions risks concerns. Please See "Business Section – Business Activities In Relation To Region And Entities Subject To International Sanctions And Entity Subject To Export Controls – Primary Sanctions – Domestic Chinese collaborator – Entity A/INPC" for more details.

Given that we did not transact with any Russian SDNs, our International Sanctions Legal Advisor assessed whether our transfer of Russian-origin Ytterbium-176 to INPC – an internal subordinate branch of the Chinese Academy of Engineering Physics – could be subject to secondary sanctions risks. Our collaboration with INPC is in line with the policy directive of General License 6D issued by OFAC, and does not require a specific license from OFAC, because such collaboration relates to (i) the production, manufacturing, sale, transport, or provision of medicine, medical devices, replacement parts and components for medical devices, or software updates for medical devices, or (ii) clinical trials and other medical research activities. As such, as advised by our International Sanctions Legal Advisor, it is unlikely that our collaboration with INPC will constitute Secondary Sanctionable Activities under the Guide. Please see "Business Section – Business Activities In Relation To Regions And Entities Subject To International Sanctions And Entities Subject To Export Controls – Secondary Sanctions" for more details.

Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Person. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of

U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the U.K., the UN, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of us.

Even if we receive regulatory approval for our product candidates, we will be subject to ongoing or additional regulatory obligations and continued regulatory review.

If the NMPA or a comparable regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, storage, sales, adverse event reporting, advertising, promotion, sampling, recordkeeping and post-marketing studies for the product will be subject to extensive and ongoing or additional regulatory requirements on pharmacovigilance. Any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing studies, including, if applicable, phase 4 trials for the surveillance and monitoring of the safety and efficacy of the product. In addition, regulatory authorities may require us to conduct additional post-marketing studies or long-term follow-up assessments that were not anticipated at the time of approval, including studies relating to long-term radiation dosimetry, which may result in additional costs, delays or regulatory obligations. Furthermore, the CDE may interpret newly issued regulatory requirements strictly during its substantive review of XTR008, XTR012 or our other product candidates and require additional clinical data or analyses prior to granting marketing approval, which could delay the approval process and commercialization timeline. For example, upon acceptance of the drug registration applications for XTR008 and XTR012, the CDE could require supplemental information, including additional non-clinical or clinical data, in connection with its review under the Technical Guidelines for Non-clinical Studies of Radiotherapeutic Drugs (《放射性治療藥物非臨床研究技術指導原則》) or other applicable regulatory requirements, which could extend the review timeline.

In addition, once a drug is approved by the NMPA or a comparable regulatory authority for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our product candidates, it may result in, among other things: (i) restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory drug recalls, (ii) fines, warning letters or holds on our clinical trials, (iii) refusal by the NMPA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug license approvals, (iv) drug seizure or detention, or refusal to permit the import or export of drugs, and (v) injunctions or the imposition of civil, administrative or criminal penalties.

Any government investigation of alleged violations of law could require us to expend significant time and resources and could generate negative publicity. Moreover, regulatory policies may change or additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face certain risks relating to laws and regulations on social insurance and housing provident fund.

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for certain employees. In 2024 and 2025 and the first half of 2026, our aggregate shortfall of social insurance and housing provident fund contributions were approximately RMB8.4 million, RMB9.8 million and RMB3.8 million, respectively. Pursuant to the relevant PRC laws and regulations, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident fund do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, we may be subject to an order from the relevant PRC courts for compulsory enforcement. We believe that the total amount of

shortfall for social insurance and housing provident fund contributions during the Track Record Period would not have a material adverse effect on our business. In addition, during the Track Record Period, we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees, primarily due to the preference of such employees to participate in local social insurance and housing fund schemes in their place of residency in which we did not establish any entity. Under the contracts entered into between such third-party human resources agencies and us, such agencies have the obligations to pay social insurance and housing provident fund contributions for our relevant employees. If the third-party human resource agencies fail to make timely and full payment of social insurance and housing provident fund contributions for our relevant employees in accordance with their contracts with us, we have the right to pursue corresponding liability for breach of contract against such agencies. The relevant local government authorities may require us to (i) pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us; or (ii) adjust or rectify our arrangements with the third-party human resource agencies. The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

We are subject to environmental protection, health and safety laws and regulations, and failure to comply with them could result in fines, penalties, or costs.

We are subject to numerous environmental, health and safety laws and regulations, including but not limited to the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals in the process of our business operations. As requirements imposed by such laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with environmental protection, health and safety laws and regulations, we may be subject to rectification orders, substantial fines, potentially significant monetary damages, or production suspensions in our business operations. As a result, any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial condition, results of operations and prospects. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

Gains on the sales of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of holders of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of shares by such shareholders.

According to the Individual Income Tax Law of the PRC and the Implementation Regulations for the Individual Income Tax Law of the PRC, both came into effect on January 1, 2019, unless specifically exempted by the State Council tax authorities or eligible for reductions under relevant tax treaties, non-PRC resident foreign individuals are generally required to pay a 20% individual income tax on dividends received from PRC enterprises. According to the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was implemented on January 20, 2025, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income executed on August 21, 2006 and implemented on December 8, 2006, the Chinese government may levy taxes on dividends paid by PRC companies to residents of the Hong Kong Special Administrative Region (including individuals and legal entities), but the tax rate shall not exceed 10% of the total dividends payable. If a Hong Kong resident directly holds 25% or more of the equity in a PRC company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, the tax rate shall not exceed 5% of the total dividends payable by the PRC company.

The interpretation and enforcement of applicable tax laws and regulations in the PRC by the PRC tax authorities, including whether and how income tax will be levied on non-PRC resident shareholders, will be determined according to the laws and regulations then in effect. Non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares.

Laws and regulations over currency conversion may affect our ability to pay dividends or fulfill other obligations.

Our revenue and expenses are substantially denominated in Renminbi, and the net proceeds from the Global Offering and dividends we pay on our H Shares, if any, will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the Global Offering, we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from SAFE, by complying with certain procedural requirements.

However, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders, our ability to obtain foreign exchange through offshore financing and other foreign exchange related matters may also be affected.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management based on Hong Kong or other foreign laws.

We are incorporated under the laws of the PRC, and a majority of our assets are located in the PRC. In addition, a majority of our Directors and senior management personnel reside within the PRC, and substantially all of their assets are located within the PRC. As a result, it may not be possible for investors to effect service of process upon us or our Directors, Supervisors and senior management personnel in China.

In July 2006, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"). Under the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly selected as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in China in order to seek recognition and enforcement of foreign judgments in China.

In January, 2019, the Supreme People's Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between China and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"). The New Arrangement became effective in January, 2024 both in China and in Hong Kong and replaced the Arrangement. The New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules set forth in the New Arrangement without the parties' agreement. Although the New Arrangement has been signed, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a PRC court.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We incurred net losses during the Track Record Period. We may continue to incur significant research and development expenses and other expenses related to our ongoing operations and not be able to generate sufficient revenue to achieve and maintain profitability in the future.

Investment in the development of radiopharmaceutical products is highly speculative as it entails substantial upfront expenditures and significant risks that a product candidate may fail to demonstrate efficacy and safety to gain regulatory or marketing approvals or become commercially viable. During the Track Record Period, while we generated a limited revenue from our provision of CRO/CDMO services, licenses of intellectual property, sales of pharmaceutical products and provision of marketing services, we continued to incur significant research and development expenses and other expenses related to our ongoing operations. See "Financial Information – Description of Major Components of Our Consolidated

Statements of Profit or Loss and Other Comprehensive Income." As a result, we recorded net loss of RMB156.1 million, RMB618.4 million, RMB328.2 million and RMB533.9 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Our ability to generate sufficient revenue to achieve and maintain profitability depends significantly on our success in advancing product candidates into later stages of clinical development, obtaining regulatory approvals for each product candidate, and commencing commercialization of these future approved product candidates, which we may not be able to do in a timely manner or at all.

We expect to continue to incur significant research and development expenses and other expenses related to our ongoing operations in the foreseeable future and that our net loss may increase. Even if we manage to achieve profitability in the future, we may not be able to sustain or increase profitability on an ongoing basis. Our net loss position has had, and will continue to have, an adverse effect on our working capital and shareholders' equity. Our failure to become and remain profitable may also impact investors' perception of the potential value of our Company and could impair our ability to raise additional capital, expand our business or continue our operations. Failure to become and remain profitable may also adversely affect the market price of our H Shares. A decline in the market price of our H Shares could cause potential investors to lose all or part of their investment in our business.

We had net current liabilities, net liabilities and net cash flows used in operating activities during the Track Record Period, which may continue in the foreseeable future and expose us to liquidity risk.

We had net liabilities of RMB1,170.7 million, RMB1,766.8 million and RMB2,306.1 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. We had net current liabilities of RMB1,912.0 million, RMB2,596.4 million and RMB2,965.0 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. Our net liabilities and net current liabilities during the Track Record Period were primarily attributable to the redemption liabilities on equity shares. See "Financial Information – Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" and "Financial Information – Indebtedness – Redemption Liabilities on Equity Shares." Net liabilities and net current liabilities positions can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all.

We recorded net cash flows used in operating activities of RMB276.7 million, RMB333.6 million, RMB191.4 million and RMB227.6 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. See "Financial Information – Liquidity and Capital Resources – Cash Flows." Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

Our future liquidity, the payment of trade and other payables, our capital expenditure plans and the repayment of our outstanding short-term and long-term debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash generated from operating activities and adequate financing. If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may need to obtain substantial additional financing to fund our operations and expansion.

During the Track Record Period, we financed our operations primarily through a combination of equity and debt financing and revenue generated from our business operations. We expect to fund our future operations primarily through revenue generated from the sales of our commercialized product, existing cash and cash equivalents, bank loans, and net proceeds from the Global Offering. Going forward, in the event of a successful commercialization of more of our product candidates, we expect to primarily fund our operations with revenue generated from sales of our commercialized products. Changes in our ability to fund our operations may affect our cash flow and results of operations. We may require substantial additional capital to meet our continued operating cash requirements, especially to fund our research and development activities, commercialization of our product candidates and development or expansion of manufacturing capabilities.

As our business continues to expand, we may seek additional funding through equity offerings, debt financings, license and collaboration arrangements and other sources, which may not be available on terms favorable or commercially reasonable to us or at all. Our ability to raise funds will also depend on the prevailing financial, economic and market conditions and factors from other aspects, such as our relationship with commercial banks, many of which are beyond our control. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities, or the commercialization of one or more of our product candidates, which may adversely affect our business prospects.

We are entitled to certain preferential tax treatments and government grants, and the expiration of or changes to which or our failure to satisfy any condition for which would have an adverse effect on our results of operations.

The Company was accredited as a "High and New Technology Enterprise" under the relevant PRC laws and regulations in 2022 and enjoyed a preferential tax rate of 15% during the Track Record Period. We cannot assure you that such preferential tax treatment will continue to be available to us in the future or that such preferential tax treatment will not be changed as a result of changes in government policy, administrative decisions or otherwise, in which case our financial condition and results of operations may be adversely affected.

In addition, we recognized government grants of RMB1.4 million, RMB36.6 million, RMB3.6 million and RMB3.8 million in 2024 and 2025 and the first half of 2025 and 2026, respectively. The timing, amount and criteria of government financial incentives are determined at the sole discretion of the PRC local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. Local government authorities may decide to reduce or eliminate incentives at any time. In addition, some of the government financial incentives are granted on a project by project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, otherwise we may be deprived of all or part of the incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives may have an adverse effect on our results of operations. In addition, we may not be able to receive government grants in the future, which may have an adverse effect on our financial condition and results of operations.

Any future increase in finance costs on borrowings for funding may affect our expansion in business and growth prospects.

During the Track Record Period, we obtained bank loans from commercial banks in the PRC to fund our capital expenditures and working capital. We had interest-bearing bank borrowings of RMB160.2 million, RMB142.9 million and RMB143.2 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. In addition, we recorded finance costs of RMB10.7 million, RMB8.0 million, RMB2.4 million and RMB3.3 million in 2024 and 2025 and the first half of 2025 and 2026, respectively, which primarily represented transaction cost for issuance of redemption liabilities on equity shares, interest on bank borrowings and interest on lease liabilities. In the future, we may continue to fund our business operation, in part, on access to external financing, including borrowings. Any future increase in finance costs, whether due to rising interest rates, changes in credit market conditions, or unfavorable terms on new or refinanced debt, could significantly increase our cost of capital. Such higher borrowing costs could reduce the funds available for critical investments in research and development, commercialization of future approved product candidates, manufacturing, and our business expansion efforts.

Additionally, increased finance costs could strain our cash flow and liquidity, particularly if our revenue growth cannot keep pace with the rising cost of debt. This could lead to difficulties in meeting debt obligations, which may, in turn, limit our ability to secure additional financing on favorable terms or at all. Any such constraints could delay or curtail planned growth initiatives, especially our extensive research and development activities and marketing and sales efforts, limit our ability to compete effectively in the market, and materially and adversely affect our financial condition, results of operations, and business prospects. If we are unable to manage the risks associated with increased borrowing costs, our ability to execute our strategic objectives and sustain business growth could be adversely affected.

We may be subject to credit risk in collecting trade receivables due from our customers.

As of December 31, 2024 and 2025 and June 30, 2026, our trade receivables amounted to RMB24.0 million, RMB56.0 million and RMB70.9 million, respectively, which primarily arose from our sales of goods, provision of CRO/CDMO services and marketing services. Our trade receivables turnover days are 147 days, 160 days and 202 days in 2024 and 2025 and the first half of 2026, respectively. Our liquidity

and cash flow are directly affected by our customers' ability to pay us in a timely manner, but we cannot assure you that they will not default on us in the future, despite our efforts to conduct credit assessments. If any of our customers' business, cash flow, conditions or results of operations deteriorates, it may be unable or unwilling to pay trade receivables owed to us promptly or at all. Bankruptcy or deterioration of the credit condition of our major customers could also materially and adversely affect our collection of trade receivables from them. If significant amounts due to us are not settled on time, we may need to incur additional significant write-down and our liquidity and cash flow may be adversely affected.

Our results of operations, financial condition, and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets at fair value through profit or loss.

As of December 31, 2024 and 2025 and June 30, 2026, we recorded financial assets at FVTPL of RMB248.7 million, RMB110.1 million and RMB103.7 million, respectively. Our financial assets at FVTPL during the Track Record Period represented the fair value of our structured deposits. We recorded fair value gains on financial assets at FVTPL of RMB0.7 million, RMB0.1 million and RMB0.1 million in 2024 and the first half of 2025 and 2026 and fair value losses on financial assets at FVTPL of RMB0.3 million in 2025, and net gains on disposal of financial assets at FVTPL of RMB1.4 million, RMB7.7 million, RMB3.1 million and RMB2.8 million in 2024 and 2025 and the first half of 2025 and 2026, respectively.

We cannot assure you that we can recognize comparable fair value gains in the future and we may on the contrary recognize fair value losses, which would affect our result of operations for future periods. In addition, the valuation of financial assets at FVTPL is subject to uncertainties due to the use of unobservable inputs. Such estimated fair values involve the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the valuation of financial assets at FVTPL has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in fluctuations in profit or loss from year to year.

We may face risk regarding the obsolescence for our inventories.

During the Track Record Period, our inventories primarily consisted of raw materials, work in progress, and finished goods. As of December 31, 2024 and 2025 and June 30, 2026, our inventories amounted to RMB27.8 million, RMB24.6 million and RMB28.0 million, respectively. During the Track Record Period, we have not identified material inventory items requiring impairment provision. However, we cannot assure you that our inventory management system will be effective in the future and forecasts for our inventory levels are inherently uncertain. If our forecast demand is higher than actual demand, we may face risk of inventory obsolescence or write-offs, which may increase our inventory holding costs. Furthermore, as our business expands, our inventory level may increase and our inventory obsolescence risk may also increase accordingly, which could materially and adversely affect our financial condition and results of operations.

RISKS RELATING TO OUR OPERATIONS

Our primary operating locations handle and store hazardous and radioactive materials. Our products and services may be produced improperly or contaminated.

We are subject to the PRC national and local laws and regulations that govern the handling, transportation, production, use, storage, disposal and sale of certain hazardous and potentially hazardous substances used in connection with our operations and products. Some risk of environmental and property damage and environmental liabilities, is inherent in our operations and the products and services we produce, provide or sell. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their production, which would increase our costs and reduce our sales. Our facilities handle and store radioactive materials and radioactive production equipment. The regular usage of our production facilities involves disposal of waste gas, waste water and waste residues. A significant release of radioactivity, which could result from, among other things, a natural disaster, an accident, equipment failure, human error, an act of terrorism or a transportation accident, could result in employees and/or the public being exposed to radiation.

In addition, we are exposed to risks inherent in the production, packaging, sale and marketing of our products and services, such as unsafe, ineffective, defective or contaminated products and services, improper filling of products and services, insufficient or improper labeling of products and services. If any of these happens, we may be subject to product recall or withdrawal, removal of regulatory approvals for such products and services or the relevant production facilities and exposure to lawsuits relating to such products and services.

Our operations pose the risk of accidental contamination or injury caused by the use of hazardous materials and/or the certain of hazardous substances, including radioactive substances and other highly regulated substances. In the event of such an accident, we could be held liable for result from such liability, including reputational damage resulting in the loss of additional business from certain customers. In addition, if our suppliers of such hazardous materials and substances are found by government authorities to have operated their business without requisite approvals, licenses or permits or otherwise to be in violation of applicable laws and regulations, they may be ordered to take rectification actions or cease operations. Any of these actions may have a material adverse effect on our business and impose additional costs on us.

The loss of any key members of our senior management team or our inability to attract and retain highly skilled and qualified employees could adversely affect our business.

We are highly dependent the expertise and insights of our senior management. In addition, recruiting and retaining qualified scientific, clinical, manufacturing and sales personnel in the future will also be critical to our success. The loss of services of any of these individuals could delay or prevent the successful development of our product candidates and achievement of our commercialization objectives. Competition for qualified employees in the radiopharmaceutical industry is intense and the pool of qualified candidates is limited, given the limited history of the radiopharmaceutical industry in China. The departure of one or more of our senior management or key personnel, regardless of whether or not they join a competitor or form a competing company, may subject us to risks relating to replacing them in a timely manner or at all, which may disrupt our operations and have a material and adverse effect on our business and results of operations. In addition, we will need to hire additional employees as we build and expand our commercialization team. We may not be able to attract and retain qualified employees on acceptable terms.

As we have significantly increased the size and capabilities of our organization since our inception, we may experience difficulties in managing our growth.

As our development and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. Our recent and any future growth will impose significant added responsibilities on members of management, including: (i) identifying, recruiting, integrating, maintaining and motivating additional employees, (ii) managing our relationships with third parties, including suppliers and partners, (iii) managing our internal development efforts effectively, including the clinical and regulatory authority review process for our product candidates, while complying with our contractual obligations to contractors and other third parties, and (iv) improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize our product candidates will depend, in part, on our ability to effectively manage our growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to implement our long-term development strategies.

If we are not able to effectively manage our growth and further expand our organization, we may not be able to successfully develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals. Our failure to do so could materially adversely affect our business, financial condition, results of operations and prospects.

Developments in the economic, political or social conditions in our major operation location may materially and adversely affect our business, financial condition, results of operations and prospects.

We generate a substantial portion of our revenue from our operations in China. Accordingly, our business, results of operations, financial condition and prospects are subject to and influenced by the economic, political and social conditions in China. The PRC economy has experienced significant growth over the past decades since the implementation of China's reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. The overall economic growth is influenced by the governmental regulations and policies in relation to capital investments, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. If the business environment in China changes, our business and its growth prospects may be adversely affected.

We cannot predict future changes in China's economic, political and social conditions and the effect that new government policies would have on our business and prospects. Any actions and policies adopted by the PRC government could adversely affect our business, results of operations, financial condition and competitive position.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. In addition to the intellectual properties related litigations we may face as mentioned in "– We may become involved in lawsuits to protect or enforce our intellectual property, or we may be sued for infringing, misappropriating or otherwise violating the intellectual property rights of third parties, such as the two Concerned Patent Applications, if granted with claims covering the current manufacturing process for XTR008, which could be expensive, time-consuming and unsuccessful," we may also be involved in disputes or litigations relating to other issues, among others, breach of contract, environmental matters, and employment. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to actions taken by our counterparties, such as our suppliers, CROs, CMOs and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

The occurrence of any future currency exchange rate fluctuations could have a material adverse effect on our business, financial condition, results of operations, and prospects.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by a number of factors, such as changes in the global economic conditions and the fiscal and foreign exchange policies. With the development of foreign exchange market and progress towards interest rate liberalisation and Renminbi internationalisation, the PRC government may in the future announce further reforms to the exchange rate system. We cannot assure you that the exchange rates of Renminbi against the Hong Kong dollar or the U.S. dollar will not change in the future.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any change in the exchange rate of the Renminbi to the U.S. dollar, the Hong Kong dollar or any other foreign currencies may affect the value of our proceeds from the Global Offering, and the value of, and any dividends payable on, our H Shares in foreign currencies. Further, there is no assurance that we will, at a certain exchange rate, have sufficient foreign currencies to meet our demand (if any) for foreign currencies in the future. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

We may engage in acquisitions or strategic partnerships in the future, which may increase our capital requirements, cause dilution for our Shareholders, cause us to incur debt or assume contingent liabilities or subject us to other risks.

From time to time, to enhance our growth, we may evaluate various acquisition and strategic partnership opportunities that we believe would benefit us in terms of product development, technology advancement or sales network. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including: (i) substantial time and expenses incurred during negotiation, which do not guarantee the successful consummation of an acquisition or strategic partnership, (ii) impact on our financial results, such as occurrence of goodwill impairment charges and amortization expenses for intangible assets, (iii) increased operating expenses and cash requirements, (iv) the assumption of additional indebtedness or contingent or unforeseen liabilities, (v) the issuance of our equity securities, (vi) assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel, or failure to otherwise achieve intended synergies in the combined operations, (vii) the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition, (viii) retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships, (ix) risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and regulatory approvals, (x) our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs, and (xi) deficiencies in internal controls, data adequacy and integrity, product quality and regulatory compliance, and product liabilities in the acquired business we discover after such acquisition, which may subject us to penalties, lawsuits or other liabilities.

We may not be able to identify attractive targets, and we have limited experience in acquisitions. In addition, we may not be able to successfully acquire the targets identified despite spending a significant amount of time and resources on pursuing such acquisition. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The geographic distance between companies, the complexity of the technologies and operations being integrated, and the disparate corporate cultures being combined may increase the difficulties of integrating an acquired company or technology. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses, and acquire intangible assets that could result in significant future amortization expense.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under the PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. However, our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our facility or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may negatively impact our product development and overall operations.

We are subject to risks associated with our leased properties.

As of the Latest Practicable Date, we leased 26 properties with an aggregate GFA of approximately 12,956.5 sq.m. in China. We cannot assure you that we will be able to renew our leases upon their expiration on terms which are favorable or otherwise acceptable to us, or at all. If we fail to renew any of our leases or if any of our leases are terminated or if we cannot continue to use any of our leased property, we may need to seek an alternative location and incur expenses related to such relocation, and our operation and businesses may also be disrupted or even suspended if we are not able to complete the relocation, including the reconstruction of relevant facilities in the new location, in a timely manner. In addition, in accordance with our operation demands and business strategies, we may decide to cease leasing certain properties during the ordinary course of business before the expiration of the leases. We cannot assure you that we can renew or renegotiate lease agreements or enter into supplementary agreements with lessors in a timely manner. If we are unable to reach favorable terms or terminate leases as planned, we may be required to continue paying rent under the terms of the original leases, even for properties we no longer use. Additionally, in the event of disagreements over lease termination terms or payments with the lessor, we may face lawsuits from the lessor to require for compensation, penalties, or damages, which could lead to financial liabilities, reputational harm, and additional legal costs. The inability to adapt our leasing arrangements in response to changing business needs may also limit our flexibility to optimize operational costs. As a result, we could face higher fixed costs, which may weaken our ability to allocate resources to other strategic priorities.

Moreover, under PRC laws, all lease agreements must be registered with the local housing authorities. As of the Latest Practicable Date, three of our leased agreements with an aggregate GFA of 205.4 sq.m. had not been registered with the relevant PRC authorities primarily due to the difficulty of procuring our lessors' cooperation to register such leases. The registration of such leases will require the cooperation of our lessors. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered. As advised by our PRC Legal Adviser, the failure to register the lease agreements would not affect the validity of the lease agreements. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be RMB30,000, which we believe immaterial. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions because of our failure to register the lease agreements. However, we may still be subject to fines for the failure to register the lease agreements, which could disrupt our financial conditions and results of operations.

Our internal information technology systems, or those used by our CROs, CMOs or other contractors, may fail or suffer security breaches.

Despite the implementation of security measures, our information technology systems and those of our current or future CROs, CMOs and other service providers are vulnerable to damage from cyber-attacks, computer viruses, malicious codes, unauthorized access, employee theft or misuse, natural disasters, fire, power loss, terrorism, war, and telecommunication and electrical failures, among other things. If such an event were to occur and cause interruptions in our operations, it could result in a material

disruption of our research and development programs. To the extent that any disruption or security breach may result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our product candidates could be delayed. In addition, a security breach may result in the loss of, damage to, or public disclosure of personally identifiable information, and such an event could have serious negative consequences, including disputes, regulatory action, investigation, litigation, fines, penalties and damages, and time-consuming and expensive litigation, any of which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

Our reputation is important to our business success, and damage to our reputation may adversely affect our business.

We, our Shareholders, Directors, officers, employees, collaboration partners, suppliers, or other third parties we cooperate with or rely on may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees, collaboration partners, suppliers or other third parties we work with or rely on were non-compliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. Any negative publicity regarding our industry could also affect our reputation and commercialization. As a result, we may be required to spend significant time and incur substantial costs to respond and protect our reputation, and we cannot assure you that we will be able to do so within a reasonable period of time, or at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.

Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

Our business could be adversely affected by the effects of epidemics, including COVID-19, avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola or another epidemic. Any such occurrences could cause severe disruption to our daily operations and may even require a temporary closure of our offices and laboratories.

Changes in international trade policies may affect our business operations.

Governments around the world may make significant changes in their trade policies and/or take certain actions that may materially impact international trade, such as imposing several rounds of tariffs. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our product products and future approved product candidates, the competitive position of our product products and future approved product candidates, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to product development and production, or may prevent us from selling our products and future approved product candidates in certain countries. For example, since we currently procure and plan to continue procuring radioisotopes produced by foreign manufacturers, the changes in international trade and political relations, as well as the import and export regulations of relevant countries may affect our radioisotope procurement. If any new tariffs, legislation and regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations.

Since April 2025, the U.S. has imposed a new round of tariffs on Chinese goods. China responded with reciprocal measures. Although a temporary tariff relief agreement has been reached, it is short-term in nature and subject to change. Ongoing trade negotiations may not result in long-term certainty. If the imported supplies or equipment we rely on become subject to elevated tariffs, we may face increased costs and supply chain disruptions, which could adversely affect our business, financial condition and operating results.

The evolving trade disputes may escalate going forward and may result in certain types of goods, such as advanced research and development equipment and materials, becoming significantly more expensive to procure from overseas suppliers or even becoming illegal to export. Furthermore, there can

be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships among the relevant countries or regions. Trade disputes, tensions and political concerns among the relevant countries or regions may therefore adversely affect our business, financial condition, results of operations, cash flows and prospects.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and there can be no assurance that an active market would develop, and the price and trading volume of our H Shares may be volatile.

No public market currently exists for our H Shares. The initial Offer Price for our H Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of the H Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, especially during the period when a certain portion of our H Shares may be subject to lock-up, or if it does develop, that it will be sustained following the Global Offering, or that the market price or trading volume of the H Shares will not decline following the Global Offering.

In addition, the trading price and trading volume of the H Shares may be subject to significant volatility in responses to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the H Shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as the results of clinical trials of our product candidates, the results of our applications for approval of our product candidates, regulatory developments affecting the pharmaceutical markets, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and substantial dilution and may experience further dilution in the future.

The Offer Price of our H Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of our H Shares in the Global Offering will experience an immediate dilution in pro forma net tangible asset value.

In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of our H Shares may experience dilution in the net tangible asset value per share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to the Share Schemes, which would further dilute Shareholders' interests in our Company.

Future sales or perceived sales of our H Shares in the public market by major Shareholders following the Global Offering could materially and adversely affect the price of our H Shares.

Future sales or perceived sales by our existing Shareholders of our H Shares after the Global Offering could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of the H Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

Because we do not expect to pay dividends in the foreseeable future after the Global Offering, you must rely on price appreciation of our H Shares for a return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after the Global Offering to fund the research and development, regulatory filings and commercialization of our product candidates. As a result, we might not pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our H Shares as a source for any future dividend income. For more details on our dividend policy, see "Financial Information – Dividends."

We cannot make fundamental changes to our business without the consent of the Stock Exchange.

Without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in our principal business activities as set forth in this prospectus. As a result, we may be unable to take advantage of certain strategic transactions that we might otherwise choose to pursue in the absence of Chapter 18A. Were any of our competitors that are not listed on the Stock Exchange to take advantage of such opportunities in our place, we may be placed at a competitive disadvantage, which could have a material adverse effect on our business, financial condition and results of operations.

Facts, forecasts and statistics in this prospectus relating to radiopharmaceutical markets obtained from official government sources may not be fully reliable.

Facts, forecasts and statistics in this prospectus relating to the pharmaceutical industry in and outside China are obtained from various sources, including information provided or published by government agencies, third-party reports and other publicly available sources. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the underwriters, any of their respective directors, employees, agents or advisers or any other person or party involved in the Global Offering, and no representation is given as to its accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this prospectus is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this prospectus, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

You should read the entire prospectus carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

Subsequent to the date of this prospectus but prior to the completion of the Global Offering, there may be press and media coverage regarding us and the Global Offering, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We do not have sufficient control over the press and media coverage, and analysts might issue negative views or recommendations on us, which could have an adverse effect on the market price of H Shares. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

You should rely solely upon the information contained in this prospectus, the Global Offering and any formal announcements made by us in making your investment decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in the Global Offering. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and the Global Offering.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Mr. YU Wenbin (虞文彬) and Ms. Tong Ka Kei (湯家錡) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number, email address and fax number (if any)) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

(d) we have appointed Rainbow Capital (HK) Limited as our compliance adviser upon the Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. Our compliance adviser, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the authorized representatives are not available, will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules; and

(e) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through our authorized representatives or our compliance adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. YU Wenbin (虞文彬) ("**Mr. Yu**"), our executive Director, secretary to the Board and chief financial officer, as one of our joint company secretaries. He has considerable experience in securities and investments matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Tong Ka Kei (湯家錡) ("**Ms. Tong**"), an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries), who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Yu for an initial period of three years from the Listing Date to enable Mr. Yu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Ms. Tong's professional qualifications and experience, she will be able to explain to both Mr. Yu and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Tong will also assist Mr. Yu in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Tong is expected to work closely with Mr. Yu and will maintain regular contact with Mr. Yu, our Directors and the senior management of our Company. In addition, Mr. Yu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the Listing Date. He will also be assisted by our compliance adviser and our legal advisers as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Yu does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yu may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Mr. Yu must be assisted by Ms. Tong who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Tong ceases to provide assistance to Mr. Yu as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Yu will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate and seek the Hong Kong Stock Exchange confirmation that Mr. Yu having benefited from the assistance of Ms. Tong for the preceding three years, has acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1)(B) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires this prospectus to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires a company to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of this prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance further requires a company to include in this prospectus a report by the auditors of the company with respect to (i) the profits and losses of the company for each of three financial years immediately preceding the issue of this prospectus and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus.

Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from the compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Stock Exchange be included in the accountants' report to its prospectus.

Rule 18A.06 of the Listing Rules requires that a biotech company shall comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in Rule 4.04 shall instead be references to "two financial years" or "two years", as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the listing document.

In compliance with the abovementioned requirements under the Listing Rules, the Accountants' Report is prepared to cover the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026.

As such, the Joint Sponsors have applied, on behalf of our Company, to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the inclusion of the accountants' report covering the full three financial years immediately preceding the issue of this prospectus on the following grounds:

(a) our Company is primarily engaged in the research and development, application and commercialization of biotech products, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(b) the Accountants' Report for each of the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 has been prepared and is set out in Appendix I to this prospectus in accordance with Rule 18A.06 of the Listing Rules;

(c) given that our Company is only required to disclose its financial results for each of the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 in accordance with Chapter 18A of the Listing Rules and preparation of the financial results for the year ended December 31, 2023 would require additional work to be performed by our Company and our auditors, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule would be unnecessary in the circumstances of the Company;

(d) notwithstanding that the financial results set out in this prospectus are only for the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this prospectus pursuant to the relevant requirements; and

(e) the Directors and the Joint Sponsors are of the view that the Accountants' Report covering the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 (as set out in Appendix I to this prospectus), together with other disclosures in this prospectus, has already provided adequate and reasonable up-to-date information in the circumstances for the potential investors to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC has granted a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that, (i) particulars of the exemption are set out in this prospectus; and (ii) this prospectus will be issued on or before Monday, November 16, 2026.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which all of our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there is no other matter the omission of which would make any statement in this prospectus misleading.

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. We have submitted the filing application for the Global Offering, and Conversion of Unlisted Shares into H Shares, and the listing of the H Shares on the Stock Exchange to the CSRC within three business days after our initial application for listing of the H Shares on the Stock Exchange. The CSRC issued a notice of filing dated November 25, 2025. No other approvals from the CSRC are required to be obtained for the Listing.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 656,100 Offer Shares and the International Offering of initially 5,904,900 Offer Shares (subject to, in each case, reallocation and without taking into consideration any exercise of the Over-allotment Option).

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering" in this prospectus, and the procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares".

UNDERWRITING

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around the Price Determination Date. Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed "Underwriting" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares.

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Tuesday, November 24, 2026. No part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

H SHARE REGISTER OF HOLDERS AND STAMP DUTY

All of the Offer Shares will be registered on our register of holders of H Share to be maintained by our ASR, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of holders of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of holders of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.7168 to US$1.00; (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.8571 to HK$1.00; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.8367 to US$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. For ease of reference, the names of the PRC laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both Chinese and English languages. In the event of any inconsistency, the Chinese version shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. XU Xinsheng (徐新盛)	5-3-102, Zhuxi Yuan Yayun Xinxin Jiayuan No. 1 Xindian Road Chaoyang District, Beijing PRC	Chinese
Ms. TANG Yanmin (唐艷旻)	9-4-501, No. 1 Xishan Yijing Mentougou District, Beijing PRC	Chinese
Mr. WANG Peng (王鹏)	No. 203, Unit 2, Block 5 Hepingmenwai East Street Xicheng District, Beijing PRC	Chinese
Mr. CHU Wei (儲維)	Room 928, Unit 1, Block 8 Guangda Mingzhu No. 178 Beiyuan Road Chaoyang District, Beijing PRC	Chinese
Mr. YU Wenbin (虞文彬)	2-2-1303, Beijing Shangshe Guangqumen Dongcheng District, Beijing PRC	Chinese
Non-executive Directors		
Mr. CHEN Daojin (陳道金)	Room 1702, Unit 1, Block 8 Phase I, Poly Luolan Xianggu Changping District, Beijing PRC	Chinese
Dr. ZHANG Yingjie (張英傑)	Room 27A, Block 10 Caitian Cun Futian District, Shenzhen Guangdong Province PRC	Chinese
Dr. YE Suofu (葉索夫)	No. 180 Huancheng Road Juyuan New District Jiading District, Shanghai PRC	Chinese
Dr. HUANG Xu (黃序)	Room 2219, Block A, Unit 3 Dongqu International, Ciyun Si Chaoyang District, Beijing PRC	Chinese

Name	Address	Nationality
Mr. HAO Bonan (郝伯男)	2-1-603, No. 62, Balizhuang Road Haidian District, Beijing PRC	Chinese
Independent Non-executive Directors		
Ms. NI Hong (倪虹)	Shouson Hill Road No. 9 House 17B Deep Water Bay Hong Kong	Chinese
Dr. Jimmy Zhimin ZHANG	920 Darien Way San Francisco CA 94127 USA	American
Mr. WU Haidong (吳海東)	Room 176, Unit 2 No. 37, Nanxian Ge Xicheng District, Beijing PRC	Chinese
Dr. YANG Yue (楊悅)	Room 502, Unit 3 Block 12, Qinghuanyuan Street Southwest Haidian District, Beijing PRC	Chinese
Dr. KANG Cailian (康彩練)	No. 401, Unit 4, 6/F No. 6 Fengqiao Road Fengtai District, Beijing PRC	Chinese

For details with respect to our Directors, see "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors *(in no particular order)*

GF Capital (Hong Kong) Limited (Independent Sponsor)
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Sponsor-Overall Coordinators	**GF Securities (Hong Kong) Brokerage Limited** 27/F, GF Tower 81 Lockhart Road Wan Chai Hong Kong **China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries *(in no particular order)*	**GF Securities (Hong Kong) Brokerage Limited** 27/F, GF Tower 81 Lockhart Road Wan Chai Hong Kong **China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road Central Hong Kong
Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**DBS Asia Capital Limited** 73/F, The Center 99 Queen's Road Central Central Hong Kong **China Galaxy International Securities (Hong Kong) Co., Limited** 20/F Wing On Centre 111 Connaught Road Central Hong Kong

Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**BOCI Asia Limited** 26/F, Bank of China Tower 1 Garden Road Central Hong Kong **ABCI Capital Limited** *(in the capacity as a Joint Bookrunner only)* 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong **ABCI Securities Company Limited** *(in the capacity as a Joint Lead Manager only)* 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong **Guolian Securities International Capital Co., Limited** Unit 2103-4, 21/F., Li Po Chun Chambers 189 Des Voeux Road Central Sheung Wan Hong Kong **BOCOM International Securities Limited** 10/F Man Yee Building 68 Des Voeux Road Central Central Hong Kong **CMBC Securities Company Limited** 34/F, One Exchange Square 8 Connaught Place, Central Hong Kong **Zheshang International Financial Holdings Co., Limited** Room 1703-1706, 17/F, Infinitus Plaza 199 Des Voeux Road Central Sheung Wan Hong Kong **Futu Securities International (Hong Kong) Limited** 34/F, United Centre No. 95 Queensway, Admiralty Hong Kong **Tiger Brokers (HK) Global Limited** 23/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Legal Advisers to the Company	*As to Hong Kong and U.S. laws:* **O'Melveny & Myers** 31/F, AIA Central 1 Connaught Road Central Hong Kong

	As to PRC laws: **Zhong Lun Law Firm** 22-31/F, South Tower of CP Center 20 Jin He East Avenue Chaoyang District, Beijing 100020 PRC *As to International Sanctions laws:* **Hogan Lovells Cadwalader International LLP** 11/F, One Pacific Place 88 Queensway Hong Kong *As to U.S. IP laws:* **Princeton IP Law LLC** 100 Overlook Center, 2nd Floor Princeton, New Jersey 08540 United States
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Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.sinotau.com** *(Information contained on this website does not form part of this prospectus)*
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The information and statistics set out in this section and other sections of this prospectus were extracted from official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged China Insights Industry Consultancy Limited, or CIC, to prepare an independent industry report, or the CIC Report, for the Global Offering. The information from official government sources have not been independently verified by us, the Joint Sponsors, Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, advisers and agents or any other persons or parties involved in the Global Offering, except for CIC, and no representation is given as to its accuracy.

RADIOPHARMACEUTICALS

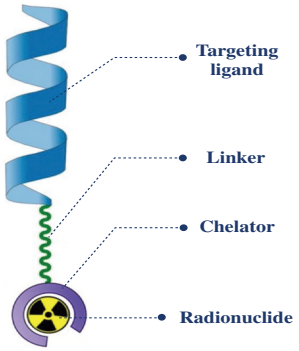
Radiopharmaceuticals are a distinct class of pharmaceutical products that incorporate radionuclides and are engineered to deliver them to specific biological targets for diagnostic imaging or therapeutic intervention, with primary applications in oncology, neurology, and cardiology. Both diagnostic and therapeutic products are regulated as pharmaceuticals by regulatory authorities such as the NMPA and the FDA. Compared to other pharmaceuticals, radiopharmaceuticals combine pharmaceutical science, radiochemistry, and nuclear medicine and offer a unique combination of diagnostic and therapeutic capabilities, making them highly effective in targeted treatments, where precision, low toxicity, and real-time monitoring are critical.

Radiopharmaceuticals have attracted significant investment due to their innovative potential and strong commercial prospects. Since 2021, over 80 radioligand-related transactions have been recorded globally, involving major multinational pharmaceutical companies such as Novartis, Merck, and Sanofi. The top three global business development transactions reached transaction values of approximately US$2.06 billion, US$1.63 billion, and US$487.0 million, respectively. In China, more than 15 transactions took place during the same period. As industry recognition grows and competition intensifies, companies are actively pursuing differentiated products to drive innovation. Radioligands are expected to follow a trajectory similar to that of ADCs, transitioning from a phase of rapid development to one of market maturity.

As such, the radiopharmaceuticals market has witnessed substantial growth and is expected to maintain this momentum, driven by national strategic initiatives, supportive regulatory policies, increased investment from multinational corporations, and continued advancements in imaging technologies and radioligand therapies. Globally, its market size increased from US$5.0 billion in 2018 to US$11.2 billion in 2025, reflecting a CAGR of 12.2%. It is projected to reach US$66.8 billion in 2036, representing a CAGR of 17.7% from 2025 to 2036. Similarly, in China, the market grew from RMB3.6 billion in 2018 to RMB8.0 billion in 2025, with a CAGR of 12.3%. By 2036, it is expected to reach RMB83.9 billion, marking a CAGR of 23.8% from 2025 to 2036.

Radioligands

Based on their composition, radiopharmaceuticals are generally classified into three main categories: (1) free radionuclides, (2) radioligands, and (3) radioactive nano- or micro-particles. Among these, radioligands are regarded as a key driver of growth in the radiopharmaceutical industry. They are typically composed of four main components: a targeting ligand, a linker, a chelator, and a radionuclide. The targeting ligand, such as a small molecule, peptide, or antibody, guides the radioligand to specific biological targets, such as receptors overexpressed on tumor cells. The linker bridges the targeting ligand and the chelator, which binds and stabilizes the radionuclide during systemic circulation.



Source: Bioconjugate Chemistry, EJNMMI Radiopharmacy and Chemistry, CIC

Radionuclides, or radioisotopes, are the core functional components in the development of radioligands. These isotopes emit radiation, such as alpha (α), beta (β), or gamma (γ) rays, which can be harnessed for either therapeutic or diagnostic purposes. Alpha particles are positively charged particles composed of two protons and two neutrons, known for their high ionizing ability. They deliver 400 times more linear energy than beta particles, enabling highly precise tumor targeting, stronger therapeutic effects on small lesions, and reduced damage to normal cells, though requiring high delivery precision. Beta particles are high-speed electrons or positrons with either a negative or positive charge. They are more widely used due to their broader killing range, lower precision requirements, and more mature development. Gamma rays, with the strongest penetration among the three, are primarily used in disease imaging and diagnosis.

In radiopharmaceutical development, radionuclides are carefully selected based on their physical half-lives, types of radiation emitted, and chemical properties to match the intended medical application. Therapeutic radionuclides, such as ^{131}I, ^{177}Lu, or ^{225}Ac, emit cytotoxic particles (α or β) that destroy targeted diseased cells, such as cancer cells, while minimizing damage to surrounding healthy tissue. Diagnostic radionuclides, like ^{18}F, ^{99m}Tc, or ^{68}Ga, typically emit γ-rays or positrons and are used in imaging techniques, such as PET and SPECT to visualize biological processes in real time. The integration of radioactive isotopes into biologically active molecules, via linkers and chelators, enables the creation of radioligands with high specificity and precision, making radionuclides essential for the advancement of targeted diagnosis, therapy, and theranostics.

Therapeutic radioligands are designed to deliver targeted radiation directly to cancer cells or other disease sites. They consist of a targeting ligand that binds to specific receptors or antigens on the target cells and is conjugated to a radionuclide emitting cytotoxic radiation. Upon binding, the radioligand is internalized by the cell, and the emitted radiation causes DNA damage, leading to cell death or arrest, with minimal damage to surrounding healthy tissues. Diagnostic radioligands, on the other hand, emit signals detectable by imaging techniques like PET or SPECT. These radioligands bind to specific targets and emit radiation that generates high-resolution images for targeted lesion detection, staging, and monitoring. Theranostics utilizes the same or similar targeting ligands with both diagnostic (e.g., γ-emitters for imaging) and therapeutic (e.g., α/β-emitters for therapy) radionuclides. In this case, the diagnostic radioligand can be used for imaging to visualize the tumor or disease site, and therapeutic radioligand with the same or a similar targeting ligand can be used for delivering therapeutic radiation directly to the target.

Radioligands offer unique advantages in targeted therapy and integrated diagnosis and treatment. The unique cytotoxic mechanism of radioligands, which targets cells via radiation, helps overcome drug resistance commonly seen with other therapeutic approaches, improving long-term efficacy for refractory tumors. The diagnostic process with radioligands is non-invasive, safe, minimally painful, and associated with relatively low radiation risks. Their shared ligand-linker platform allows for the interchangeable use of diagnostic (γ-emitting) and therapeutic (α/β-emitting) radionuclides, enabling a seamless transition from diagnosis to precision treatment and real-time monitoring of therapeutic effects. Theranostic modality allows real-time monitoring of treatment efficacy and adjustments based on imaging results, ensuring precise treatment with minimal damage to healthy tissues, thereby enhancing overall tumor management. Furthermore, radioligands demonstrate strong potential for combination with various treatment modalities, including nuclear therapy, immunotherapy, and chemotherapy, with promising phase-wise progress and excellent safety profiles. Below is a comparison of radioligands with other modalities in the pharmaceutical industry:

Category	Radioligands	Small Molecules	Monoclonal Antibodies (mAbs)	Antibody-Drug Conjugates (ADCs)
Mechanism of Action	Use radioactive isotopes to diagnose (via imaging) or treat (via cytotoxic radiation) targeted cells	Interact with intracellular or extracellular targets to modulate biological pathways	Bind to specific extracellular targets (e.g., receptors or antigens)	Combine antibody specificity with cytotoxic small molecule chemical payload for targeted killing
Delivery	Injectable ("**IV**"); localized radiation effect	Oral or IV; broad distribution	Usually IV; limited tissue penetration	IV; tumor-selective release of cytotoxin
Half-life/Dosing Frequency	Short half-life isotopes (hours to days); single or infrequent doses	Short half-life; frequent dosing (often daily)	Long half-life; less frequent dosing (weekly to monthly)	Long half-life; dosing every few weeks
Onset of Action	Can be rapid (especially for therapeutic isotopes)	Often fast	Slower onset; time to engage immune system or receptor	Moderate onset; depends on release of cytotoxin
Therapeutic Window	Broad; low off-target toxicity due to localized radiation	Often narrow due to off-target effects	Generally favorable	Depends on stability of linker and specificity of targeting
Drug Resistance	Low-level resistance due to physical damage effects	High-level resistance due to genetic mutations	High-level resistance via antigen loss/modulation and immune evasion	Strong complex resistance mechanisms involving both antibody and payload
Diagnostic Use	Direct use in PET/SPECT imaging (theranostics)	Rare	Only with radiolabeled variants	Rare, still under exploration

Category	Radioligands	Small Molecules	Monoclonal Antibodies (mAbs)	Antibody-Drug Conjugates (ADCs)
Manufacturing Complexity	High – requires radiochemistry, isotope handling, and special logistics	Low – well-established chemical synthesis	High – biologics production in living cells	Very high – combines biologics + linker + small molecule payload
Regulatory Pathway	Complex – often includes diagnostic + therapeutic review; requires nuclear medicine infrastructure	Standardized, well-known	Relatively complex – includes biologics-specific review	Highly complex – includes biologics and cytotoxin safety evaluation
Clinical Areas	Oncology (especially prostate, NETs), emerging in neurology and cardiology	Broad: oncology, cardiology, infectious disease, etc.	Oncology, autoimmune, inflammation	Primarily oncology, emerging in autoimmune and inflammation
Summary of Major Limitations	Short-shelf life of the product; bone marrow suppression risk; possible false positives for diagnostic radioligands	Off-target toxicities and development of drug resistance	Slower onset with immunogenicity risks and potential drug resistance due to antigen loss/mutation	Complex manufacturing processes and toxicity management challenges

Source: FDA, IAEA, Bioconjugate Chemistry, Cancers, CIC

As of the Latest Practicable Date, over ten radioligands had received marketing approval worldwide. Among them, Novartis' Pluvicto®, a radioligand for prostate cancer treatment, generated approximately US$2.0 billion in revenue in 2025, while Lutathera®, a radioligand for GEP-NET treatment, achieved approximately US$816.0 million in revenue during the same period. The prostate cancer imaging agent Pylarify® by Lantheus generated US$1 billion in annual sales in 2025, highlighting the growing impact and commercial success of radioligands. With radioligands emerging as a highly promising modality, business development activity in this field has surged in recent years.

Top 5 Best-selling Radiopharmaceuticals Worldwide

Brand Name	Target	Radionuclide	Structure/MoA	Company	Clinical Modality	Indications	Initial Approval Date	Global Sale Revenue in 2025 (million USD)
Pluvicto®	PSMA	^{177}Lu	^{177}Lu-Vipivotide tetraxetan	Novartis	Therapeutic	Adult patients with PSMA-positive mCRPC who have been treated with ARPI therapy	2022-03-23	1,994
Pylarify®	PSMA	^{18}F	^{18}F-Piflufolastat	Lantheus	Diagnostic	PET of PSMA positive lesions in men with prostate cancer	2021-05-26	989
Lutathera®	SSTR	^{177}Lu	^{177}Lu-DOTATATE	Novartis	Therapeutic	Adult and pediatric patients 12 years and older with SSTR-positive GEP-NETs	2018-01-26	816
Illuccix®	PSMA	^{68}Ga	^{68}Ga-PSMA-11	Telix	Diagnostic	PET of PSMA positive lesions in men with prostate cancer	2021-12-17	621
Xofigo®	Hydroxyapatite	^{223}Ra	^{223}Ra-dichloride	Bayer	Therapeutic	Patients with CRPC, symptomatic bone metastases and no known visceral metastatic disease	2013-05-15	~250

Source: Annual reports, CIC

The following table summarizes the historical and forecast price trends, supply status, and major healthcare operators of key isotopes in China.

Summary of Historical and Forecast Price Trend, Supply, and Healthcare Operators of Major Isotopes in China

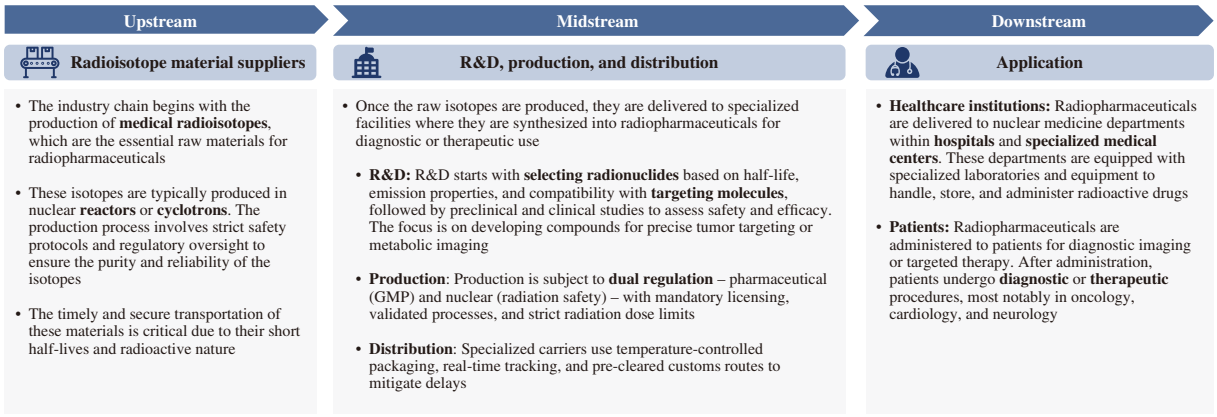
Isotope	Price in 2020 (RMB)	Price in 2025 (RMB)	Current Supply Status	Key Suppliers	Price Outlook and Material Fluctuation
^{177}Lu	~150 per mCi	<100 per mCi	Stable domestic manufacturing capacity	Major suppliers include INPC, Sichuan Haitong, CNNC Gaotong, CNNC Hefu-1	Stable to slightly declining prices expected; material fluctuation risk low given robust domestic production.
^{18}F	~300 per mCi	<200 per mCi	Stable domestic production; widespread availability from cyclotron-equipped nuclear medicine centers	Over 140 domestic nuclear medicine centers with in-house cyclotron systems	Stable supply and cost base; prices expected to remain steady with minimal fluctuation.
^{64}Cu	~15,000 per mCi	<9,000 per mCi	Stable domestic supply, domestic capacity increasingly reliable	Domestic suppliers include CIRC/HTA and C Ray Therapeutics, international suppliers from the US and Europe, such as Nusano and Eckert & Ziegler	Prices expected to stabilize or slightly decline as domestic capacity expands; moderate fluctuation possible in short term.
^{223}Ra	~80,000 per mCi	~60,000 per mCi	Stable global supply	International suppliers in Europe such as Rosatom, domestic facilities building up capacity	Supply chain stable; price fluctuation minimal due to consistent production schedule and low market demand.
^{225}Ac	N/A	~200,000 per mCi	Supply chains developing; main sources in Germany, US, and Russia; domestic capabilities expanding rapidly	Domestic facilities under CNNC and research institutes; foreign suppliers in Europe and the US such as Oak Ridge National Laboratory and INPPE	High price volatility likely in near term due to constrained global supply; long-term stabilization expected as Chinese capacity ramps up.

Source: Chinese Society of Nuclear Medicine, Journal of Nuclear Medicine, Company Announcement, CIC

Value Chain of Radiopharmaceutical Industry

The radiopharmaceutical industry chain is highly specialized and regulated to ensure the safe and effective delivery of radioactive drugs from raw material production to patient administration. It comprises three main segments. Upstream involves the supply of radionuclides, which are primarily produced using reactors, cyclotrons, and other advanced technologies. This segment is characterized by high technical and regulatory barriers. The midstream segment includes the research and development, manufacturing, and distribution of radiopharmaceuticals, where pharmaceutical companies, production facilities, and distribution networks work together to maintain product quality and ensure timely delivery given the short half-lives of radionuclides. Downstream includes medical institutions and patients, with hospitals must be equipped with specialized facilities and trained personnel to safely administer radiopharmaceuticals to patients.

Value Chain of Radiopharmaceutical Industry



Source: IAEA, OECD Nuclear Energy Agency, FDA, Nature Reviews Drug Discovery, CIC

Many hospitals across China have already established nuclear medicine departments and dedicated radionuclide therapy wards, providing a foundation for the clinical adoption and commercialization of therapeutic radiopharmaceuticals. According to the Brief Report on the 2024 National Survey of Nuclear Medicine Status issued by the Society of Nuclear Medicine of the Chinese Medical Association, there were 2,993 dedicated radionuclide therapy beds nationwide in 2023. Furthermore, the total number of radionuclide therapy procedures in China reached 570.8 thousand in 2023, significantly exceeding the number of dedicated therapy beds, as certain radionuclide therapies can be administered on an outpatient basis and do not necessarily require hospitalization. These figures demonstrate that China has established an extensive nuclear medicine infrastructure with substantial existing treatment capacity. The further growth of the infrastructure is expected to support the broader adoption of therapeutic radiopharmaceuticals.

Entry Barriers

- ***Strict Regulations.*** The approval, registration, and distribution of radionuclides and radiopharmaceuticals in China involve multiple regulatory authorities and stringent requirements. Key agencies include the Ministry of Ecology and Environment, the NMPA, and the State Administration of Science, Technology and Industry for National Defense. Activities such as radionuclide procurement, R&D, manufacture, and market distribution require licenses for radiation safety, manufacturing, usage, and transportation. For details regarding the relevant regulations, see "– Regulatory Overview."
- ***Supply Chain Challenges.*** Diagnostic radionuclides generally have short half-lives ranging from minutes to several hours (e.g., ^{13}N: approximately 0.2 h, ^{18}F: approximately 1.8 h, and ^{99m}Tc: approximately 6 h). In contrast, therapeutic radionuclides have longer half-lives, typically ranging from several days to approximately two weeks (e.g., ^{177}Lu: approximately 6.7 days, ^{225}Ac: approximately 9.9 days, and ^{223}Ra: approximately 11.4 days). Due to the short half-life of radionuclides, radiopharmaceuticals must be produced on demand and delivered in time to nearby hospitals, as they cannot be stored long-term or transported over long distances. Additionally, due to strict transportation regulations, nuclear medicine logistics are constrained, with only a limited number of airlines authorized to transport radiopharmaceuticals.

- ***Isotope Shortage.*** China has established domestic production capabilities for reactor-produced medical isotopes, but the supply still falls short of domestic demand, with most clinically used isotopes relying on imports. Despite infrastructure expansion, radiopharmaceuticals derived from reactor-produced isotopes face challenges such as limited variety, lack of sufficient R&D innovation, and small-scale production, which hinders the ability to meet clinical needs and exacerbates isotope shortages.
- ***In-house R&D Capabilities and Talent Shortage.*** The development of radiopharmaceuticals is complex, requiring multidisciplinary integration, strict regulatory compliance, and demanding clinical translation. Nuclear medicine is a highly interdisciplinary field that integrates nuclear physics, radiochemistry, pharmacy and clinical medicine, and therefore requires practitioners to possess multidisciplinary capabilities. The shortage of specialized radiopharmaceutical CROs due to challenges in handling radioactive isotopes, meeting nuclear safety standards, and managing the logistics of short-lived isotopes further increases these difficulties, compelling companies to rely on internal expertise and independent innovation to advance products from concept to clinical application. In addition, the industry faces a significant talent shortage, which constrains its short-term growth. Despite rapid expansion, the supply of qualified professionals lags behind demand. In China, only 400 to 500 individuals graduate with a nuclear medicine degree each year, primarily clinical doctors and imaging physicians, with few pursuing careers in drug development.

Growth Drivers and Future Trends

- ***Clear Regulatory Guidance.*** China has introduced a series of regulatory reforms across the radiopharmaceutical supply chain to support industry growth. A joint release by eight ministries marked China's first official guidance on applying nuclear technology in medicine, emphasizing advancements in medical isotope development. The CDE has issued technical guidelines to fill regulatory gaps, particularly in radiation dosimetry and clinical safety, aligning gradually with international standards. Production oversight has been delegated to provincial authorities. Meanwhile, regulatory review and approval processes have been streamlined through prioritized communication, dedicated review channels, and independent evaluations.
- ***Infrastructure Construction.*** China is accelerating the development of nuclear power plants and cyclotrons to strengthen its domestic supply of medical isotopes and reduce reliance on imports. Although commonly used isotopes such as ^{131}I, ^{89}Sr, ^{177}Lu, and ^{64}Cu currently can be produced domestically, efforts are underway to expand reactor capacity and establish new production facilities to enable large-scale, localized manufacturing. Currently, hospitals are already able to produce PET radiopharmaceuticals using cyclotrons in China, which generate isotopes such as ^{18}F. Moreover, recent regulatory reforms have further supported the clinical adoption of radiopharmaceuticals. Pursuant to State Council Order No. 797 and the implementation notice issued by the General Office of the National Medical Products Administration, China cancelled the administrative approval requirement for medical institutions to obtain Class I and Class II permits for the use of radioactive drugs with effect from January 20, 2025, thereby streamlining hospital access to commonly used diagnostic radiopharmaceuticals and supporting the continued expansion of nuclear medicine services. The cancellation reduces the administrative burden and shortens the time required for medical institutions to introduce radiopharmaceuticals previously covered by Class I and Class II permits, potentially expanding the number of institutions capable of providing nuclear medicine services and improving patient access. Although medical institutions remain subject to applicable requirements relating to radiation safety, facilities, equipment and quality management, the regulatory change may facilitate broader hospital adoption of the Group's radioligand products following regulatory approval, thereby supporting their commercialization, increasing market acceptance and contributing to the Group's business growth. Looking ahead, China plans to promote the deployment of small cyclotrons, and develop medium-and high-energy cyclotrons capable of supporting mass production of isotopes such as ^{67}Cu and ^{225}Ac.
- ***Increasing Demand for Precision Medicine.*** The approval and market launch of key therapeutic radioligands like Lutathera® and Pluvicto® have spurred global investment in radiopharmaceuticals, advancing precision nuclear medicine. The main trend is the integration of diagnostic and therapeutic processes, with each therapeutic drug paired with a corresponding diagnostic radioligands, driving the development of diagnostic radioligands alongside therapeutic ones. The development of radiopharmaceuticals is also supported by the development of two most common modalities: SPECT and PET. In China, the number of SPECT and PET imaging has reached 1,816 in 2023, and medical institutions equipped with these imaging devices reached 1,450 during the same period, representing a CAGR of 78% and 64%, respectively since 2015.

- ***Innovation Brings Improved Clinical Benefits.*** Future radiopharmaceuticals are evolving to deliver better clinical outcomes through enhanced elimination efficiency and optimized imaging performance. Innovations of therapeutic radioligands will enable faster isotope clearance from the body, reducing radiation exposure and improving patient comfort. Imaging tracers will be designed for quicker accumulation and prolonged retention in target tissues, leading to clearer, more sensitive images and faster clinical decision-making. Future development will also emphasize improved tissue affinity, higher target-to-background ratios, and simplified, cost-effective production methods such as automated systems and cyclotron use, ultimately offering more accurate lesion localization and enhanced diagnostic precision. For example, the development of diagnostic and therapeutic radioligands targeting the same molecular target (i.e., theranostics) enables more accurate patient selection and treatment monitoring, while emerging radionuclides such as ^{225}Ac may improve tumor-killing effects and reduce damage to surrounding tissues. These innovations may enhance the clinical benefits of radioligands, thereby promoting broader clinical adoption and increasing potential market acceptance of the Group's radioligand products.

MAJOR INDICATIONS

NEN

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. Such growths may develop when genetic and epigenetic alterations disrupt the normal regulation of neuroendocrine cells, leading to abnormal cell proliferation and the formation of neuroendocrine neoplasms or tumors. Based on histology, NENs are classified into two major types: well-differentiated NETs and poorly differentiated NECs. NETs are further divided into three grades, G1, G2, and G3, based primarily on the Ki-67 proliferation index and mitotic count. GEP-NENs are a heterogeneous and complex group of tumors that originate from cells of the diffuse neuroendocrine system and are commonly found in the intestine, pancreas, and bronchopulmonary system. For GEP-NETs, G1 generally refers to tumors with a Ki-67 index of less than 3% and a mitotic count of less than 2 per 2 mm^2; G2 generally refers to tumors with a Ki-67 index of 3% to 20% and/or a mitotic count of 2 to 20 per 2 mm^2; and G3 generally refers to tumors with a Ki-67 index of more than 20% and/or a mitotic count of more than 20 per 2 mm^2. Where the Ki-67 index and mitotic count indicate different grades, the higher grade is generally assigned. G1 tumors are typically indolent and slow-growing, G2 tumors show intermediate proliferative activity and higher progression risk than G1 tumors, and G3 NETs are well-differentiated but high-grade tumors with more aggressive clinical behavior and poorer survival outcomes, while remaining distinct from poorly differentiated neuroendocrine carcinomas. Survival data also reflect this gradient: in a large GEP-NEN cohort, five-year overall survival rates for metastatic G1, G2 and G3 disease were approximately 47%, 38% and 5%, respectively, compared with approximately 81%, 78% and 26% for non-metastatic G1, G2 and G3 disease. As a major subtype of NENs, GEP-NETs account for approximately 65% to 75% of all NENs and approximately 80% of GEP-NETs overexpress SSTRs.

In 2025, there were an estimated 576,000 new NEN patients worldwide, a number projected to rise to 771,600 in 2036. In China, there were approximately 61,800 new NEN patients in 2025, with projections indicating an increase to 74,300 in 2036. Globally, the incidence of advanced SSTR-positive G1/G2 GEP-NETs was approximately 142.5 thousand cases in 2020, increased to approximately 171.6 thousand cases in 2025, and is projected to reach approximately 229.9 thousand cases in 2036. The treatment penetration rate of therapeutic radioligands among patients with advanced SSTR-positive G1/G2 GEP-NETs globally was approximately 1.5% in 2025 and is expected to increase to approximately 20% in 2036. In China, the incidence of advanced SSTR-positive G1/G2 GEP-NETs was approximately 15.9 thousand cases in 2020, increased to approximately 18.4 thousand cases in 2025, and is projected to reach approximately 22.1 thousand cases in 2036. The treatment penetration rate of therapeutic radioligands among patients with advanced SSTR-positive G1/G2 GEP-NETs in China was nil in 2025, as no therapeutic radioligand had been approved for this indication, and is expected to reach approximately 40% in 2036.

PPGLs, comprising patients associated with pheochromocytoma and paraganglioma, are rare NET tumors that arise in or around the adrenal glands or along certain nerves, and some of them can produce excess hormones that affect blood pressure and heart rate. Although surgery is the standard treatment for localized disease, recurrent, unresectable or metastatic PPGL remains clinically challenging, with NCI reporting five-year overall survival of approximately 50% to 70% in metastatic disease.

Globally, the incidence of advanced SSTR-positive G3 GEP-NETs was approximately 33.8 thousand cases in 2020, increased to approximately 40.6 thousand cases in 2025, and is projected to reach approximately 54.4 thousand cases in 2036. The incidence of advanced SSTR-positive NENs of non-GEP origin was approximately 17.2 thousand cases in 2020, increased to approximately 20.7 thousand cases in 2025, and is projected to reach approximately 27.8 thousand cases in 2036. The incidence of advanced

SSTR-positive PPGLs was approximately 9.2 thousand cases in 2020, increased to approximately 11.1 thousand cases in 2025, and is projected to reach approximately 14.8 thousand cases in 2036. The treatment penetration rate of therapeutic radioligands among patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins globally was nil in 2025, as no therapeutic radioligand had been approved for this indication, and is expected to increase to approximately 12% in 2036. In China, the incidence of advanced SSTR-positive G3 GEP-NETs was approximately 3.8 thousand cases in 2020, increased to approximately 4.4 thousand cases in 2025, and is projected to reach approximately 5.2 thousand cases in 2036. The incidence of advanced SSTR-positive PPGLs was approximately 1.0 thousand cases in 2020, increased to approximately 1.2 thousand cases in 2025, and is projected to reach approximately 1.4 thousand cases in 2036. The incidence of advanced SSTR-positive NENs of other origins was approximately 1.9 thousand cases in 2020, increased to approximately 2.2 thousand cases in 2025, and is projected to reach approximately 2.7 thousand cases in 2036. The treatment penetration rate of therapeutic radioligands among patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs other origins in China was nil in 2025, as no therapeutic radioligand had been approved for this indication, and is expected to increase to approximately 45% in 2036.

Diagnosis of NEN

The clinical diagnosis of NENs involves a combination of symptom assessment, laboratory testing, imaging, endoscopy, and pathological analysis. Functional NETs manifest with hormone-related syndromes such as hypoglycemia or Zollinger-Ellison syndrome, while non-functional tumors are often asymptomatic and present symptoms only when the tumor becomes large or metastatic. Laboratory testing includes tumor markers like chromogranin A ("**CgA**") and neuron-specific enolase ("**NSE**"), and hormone/metabolite analysis specific to tumor types (e.g., insulin, gastrin, 5-HIAA). Imaging techniques include contrast-enhanced CT/MRI, ultrasound, and endoscopic ultrasound ("**EUS**"), along with molecular imaging such as SSTR-based PET/SPECT and ^{18}F-FDG PET-CT, tailored to tumor differentiation. Endoscopy and EUS are crucial for detecting and biopsying gastrointestinal lesions. Pathological diagnosis involves immunohistochemical staining for neuroendocrine and organ-specific markers, Ki-67 for grading, and molecular pathology for detecting characteristic mutations.

Diagnostic Paradigm for NENs

Clinical manifestation	Laboratory & biochemical testing	Imaging techniques	Endoscopy procedures	Pathological diagnosis
Symptoms evaluation	**Tumor markers**	**Conventional imaging**	**Endoscopy**	**Immunohistochemistry**
• **Functional tumors:** ➢ Present with endocrine syndromes due to hormone hypersecretion (e.g., hypoglycemia, Zollinger-Ellison syndrome, diarrhea) • **Non-functional tumors:** ➢ Often asymptomatic ➢ Symptoms are related to tumor size, local invasion, or metastasis (e.g., obstruction, jaundice)	• **Chromogranin A (CgA):** Common but not specific; elevated in many NETs • **Neuron-specific enolase (NSE):** Elevated in some patients	• **Contrast-enhanced CT/MRI:** Multiphase scanning for tumor localization, assessment, and staging • **Ultrasound/Endoscopic ultrasound (EUS):** Sensitive for small lesions in the pancreas, duodenum, and rectum; EUS-guided biopsy may be performed	• Essential for identification, assessment, and biopsy of GI tract lesions (stomach, duodenum, colorectum), staging, and subtyping	• CgA • synaptophysin (Syn) • Ki-67 • other neuroendocrine markers (INSM1, SSTR2, CD56) • organ-specific hormones • molecular markers (ATRX, DAXX, p53, Rb)
	Hormone & metabolite testing	**Molecular imaging**	**Endoscopic ultrasound (EUS)**	**Molecular pathology**
	• **Insulinoma:** Low blood glucose, elevated insulin, C-peptide, proinsulin • **Gastrinoma:** Elevated fasting serum gastrin, gastric acid hypersecretion • **Carcinoid syndrome:** Elevated 24-hour urinary 5-HIAA	• **Somatostatin receptor imaging:** ^{111}In/^{99m}Tc-labeled SPECT or ^{68}Ga/^{18}F/^{64}Cu-labeled PET-CT/MRI is key for well-differentiated NETs, used for localization, staging, and therapy planning • **^{18}F-FDG PET-CT:** Preferred for poorly differentiated NECs and high-grade, aggressive lesions • **Special tracers:** Such as ^{68}Ga-Exendin-4 (insulinoma), ^{18}F-DOPA (certain subtypes)	• Precise localization, assessment of invasion depth, and guidance for fine-needle aspiration biopsy	• Detection of characteristic mutations (e.g., MEN1, ATRX, DAXX in pNETs; TP53, RB1 in NECs) may assist in difficult cases

Source: Chin J Oncol, CIC

CT is typically the first-choice imaging modality for NENs due to its high sensitivity, acceptable specificity, and broad availability. However, it may fail to detect small pancreatic or gastrointestinal NENs, a limitation also shared by MRI. Ultrasonography presents additional constraints, including operator-dependent variability, poor penetration in fibrotic and calcified tissues, and inadequate spatial resolution, all of which collectively reduce diagnostic efficacy.

As approximately 90% of NENs express SSTRs, nuclear medicine imaging methods have become the standard approach for diagnosing and assessing NENs, particularly well-differentiated NETs. SSTR-based modalities provide critical clinical benefits, including primary tumor staging and metastatic evaluation, pre-surgical planning, detection of occult primaries in metastatic disease, patient selection for PRRT, evaluation of treatment response and prediction of disease prognosis.

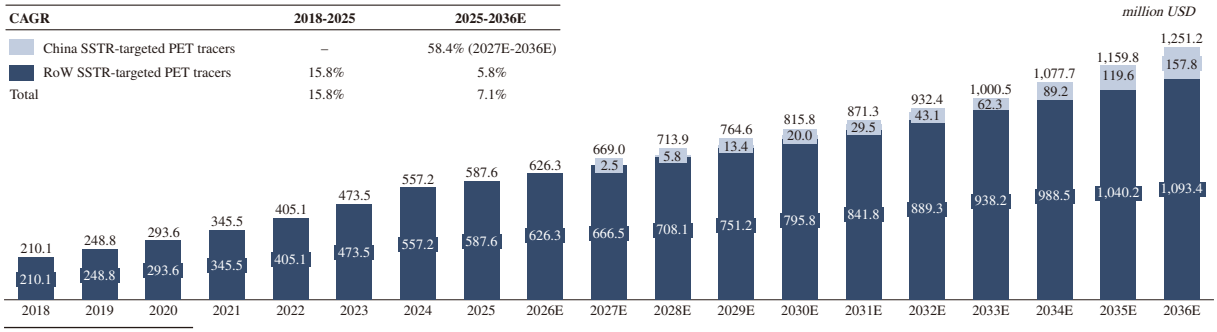
SSTRs can be detected using SSTR-PET or SPECT scintigraphy. Currently, ^{68}Ga-labeled PET tracers are considered the "gold standard" for imaging NETs, while ^{111}In-DTPA-octreotide SPECT remains a useful alternative. However, ^{64}Cu-labeled PET tracers offer significant advantages over both ^{68}Ga-labeled PET tracers and ^{111}In-DTPA-octreotide in diagnosing NETs. Studies have shown that ^{64}Cu-labeled PET tracers have a superior lesion detection rate compared to ^{68}Ga-labeled PET tracers, with most of the additional lesions identified being true positives. When compared to ^{111}In-DTPA-octreotide SPECT, ^{64}Cu-labeled PET tracers detected twice as many lesions and identified additional organ involvement in one-third of patients. The improved performance of ^{64}Cu-labeled PET tracers is likely due to its lower positron range, which enhances lesion detection accuracy. Additionally, its longer shelf life (approximately 48 hours) and flexible imaging window (one to three hours) make it particularly well-suited for routine clinical use.

Market Size

The global market size for SSTR-targeted PET tracers was US$0.2 billion in 2018 and reached US$0.6 billion in 2025, with a CAGR of 15.8%. It is projected to grow to US$1.3 billion in 2036, representing a CAGR of 7.1% from 2025 to 2036.

In China, there were no SSTR-targeted PET tracers approved for marketing as of the Latest Practicable Date. However, with the anticipated approval of the first SSTR-targeted PET tracer in 2027, and driven by strong and growing clinical demand for precision diagnostics in NETs, urgent patient needs for earlier and more accurate detection, continued expansion of nuclear medicine departments and hospitals with established radiopharmaceutical administration and radionuclide therapy capabilities, following the cancellation of the administrative approval requirement of Class I and Class II permit for the use of radioactive drugs by medical institutions in 2025, a robust pipeline of novel SSTR-targeted radiopharmaceuticals, and increased government support, including fast-track drug approvals, expanded reimbursement, and greater funding for nuclear medicine the market in China is expected to significantly grow from US$2.5 million in 2027 to US$157.8 million in 2036 with a CAGR of 58.4%.

Historical and Forecasted Global Market Size of SSTR-targeted PET Tracers, 2018-2036E



Note: The market size is based on net sales adjusted from Wholesale acquisition cost (WAC).

Source: FDA, EMA, Cancer, Journal of Nuclear Medicine, Annual reports, BMC, Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, CIC

Competitive Landscape

As of the Latest Practicable Date, four SSTR-targeted PET tracers had been approved for marketing by major regulatory authorities globally. In China, however, no SSTR-targeted PET tracers had been approved for marketing as of the Latest Practicable Date. In 2024, Netspot held a prominent market presence, accounting for approximately 50% of the total market share in terms of revenue.

Approved SSTR-targeted PET Tracers on a Global Scale*

Structure/MoA	Brand Name**	Company***	Indication	Regulatory Authority*	Approval Date	Pricing Per Dose****
^{64}Cu-DOTATATE	Detectnet®	RadioMedix/ Curium	Use with PET for localization of SSTR-positive NETs in adult patients	FDA	2020-09	~USD3,800
^{68}Ga-DOTA-TOC	N/A	UIHC Pet Imaging	Use with PET for localization of SSTR-positive NETs in adult and pediatric patients	FDA	2019-08	N/A
^{68}Ga-DOTA-TOC	SomaKit TOC	Novartis	PET imaging of SSTR overexpression in adult patients with confirmed or suspected well-differentiated GEP-NET for localizing primary tumors and their metastases	EMA	2016-12	~USD1,600
^{68}Ga-DOTATATE	Netspot		Use with PET for localization of SSTR-positive NETs in adult and pediatric patients	FDA	2016-06	~USD3,000

Notes:

* *Due to variations in regulatory policies across different countries, global approval information are derived from major regulatory authorities, including the FDA, EMA, NMPA and PMDA. Products such as TOCscan/Sogacin which have not been granted centralized approval by EMA are not presented in this landscape.*

** *All the products are administered intravenously.*

*** *This table includes originator companies only.*

**** *The listed price in the U.S. is shown without reimbursement; for SomaKit TOC, the listed price reflects the EU market.*

Source: FDA, EMA, CIC

As of the Latest Practicable Date, at least ten SSTR-targeted PET tracers had received IND approvals globally, and seven SSTR-targeted PET tracers had received IND approvals from the NMPA. Among them, five were under clinical development in China.

Global Competitive Landscape of Radiopharmaceuticals for SSTR-targeted PET Tracers*

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
N/A	^{68}Ga-DOTA-TOC	Tianjin Hengrui Pharmaceutical	III	2023-10-16	China	Diagnosis of GEP-NETs
N/A	^{68}Ga-DOTATATE	HTA Co., Ltd.	III	2024-01-15	China	Diagnosis of NETs
XTR015	**^{64}Cu-DOTATATE**	**Our Company**	**III**	**2026-03-11**	**China**	**Combination with PET for the localization of lesions in adult patients with SSTR-positive NETs**
N/A	^{64}Cu-DOTATATE	Huayi Technology	III	2026-04-02	China	Diagnosis of NETs
N/A	^{64}Cu-DOTATOC	Voxel	III	2026-06-01	Others**	PET imaging for the detection of diagnosed or suspected NETs
N/A	^{64}Cu-SARTATE	Clarity Pharmaceuticals	II	2020-06-18	Others**	Diagnosis of known or suspected GEP-NETs
N/A	^{68}Ga-DOTA-TOC	MedSIR	II	2025-09-17	N/A	Diagnosis of solid tumors with active brain metastases
N/A	^{68}Ga-FL-031	Shanghai Full-Life Technologies Co., Ltd.	I	2025-12-24	China	PET imaging of SSTR-positive solid tumors
N/A	^{68}Ga-DOTATATE	Novartis	IND	2025-02-09	China	Determining a patient's SSTR-positive expression status by PET scanning
N/A	^{64}Cu-DOTATATE	Tongrui Biopharmaceutical	IND	2025-09-30	China	Diagnosis of NETs with SSTR positivity

Notes:

* *The global pipeline includes only entries registered on ClinicalTrials.gov and excludes drugs that have already been approved for the same indication.*

** *"Others" refers to countries and regions other than China and the U.S.*

Source: CDE, Clinicaltrials.gov, CIC

Treatment of NEN

Surgery and endoscopic removal have long been the primary treatment approach for patients with resectable locoregional GEP-NENs; however, if surgery is not feasible due to individual patient factors, a multidisciplinary team should guide systemic therapy. If systemic therapy reduces the tumor to a resectable state, surgical intervention should be reconsidered.

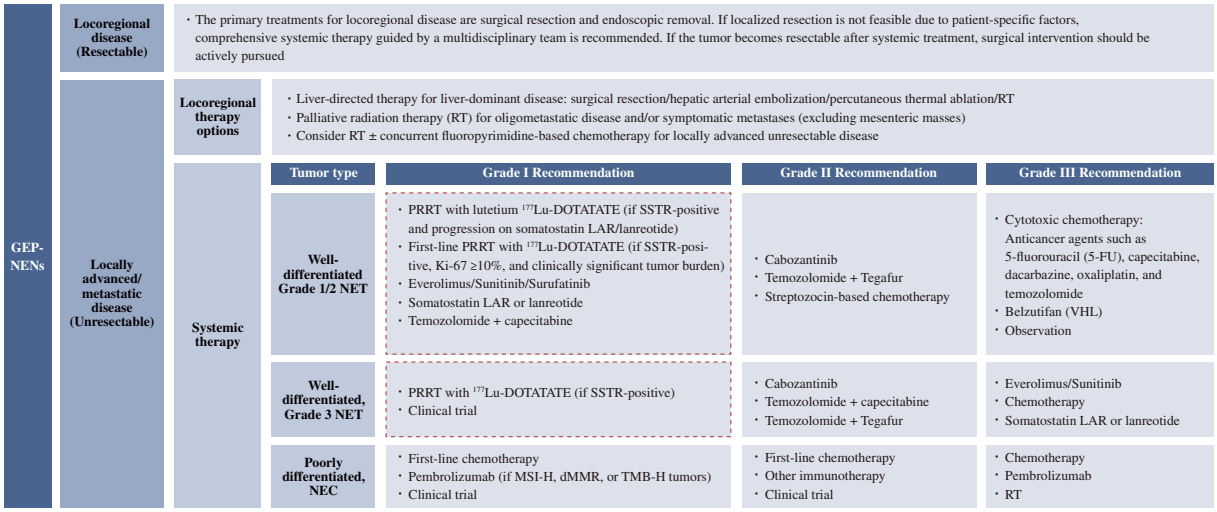
In locally advanced or metastatic cases where resection is not possible, several treatment modalities are employed. For liver-dominant disease, liver-directed therapies such as hepatic resection, arterial embolization, percutaneous thermal ablation, or radiotherapy are considered. For oligometastatic or symptomatic metastases, palliative radiotherapy is used, except for mesenteric masses. For locally advanced unresectable tumors, radiotherapy combined with fluoropyrimidine-based chemotherapy may be an option. Systemic therapy for GEP-NENs is tailored according to tumor differentiation and histological grade, with distinct treatment strategies for each subtype.

- For well-differentiated Grade 1 and 2 NETs, the Grade I recommended systemic treatment typically involves somatostatin analogs such as somatostatin LAR or lanreotide. In China, octreotide and lanreotide products generated total sales revenue of over RMB1.6 billion in 2025, among which long-acting octreotide microspheres (Somatostatin LAR) accounted for approximately 30% of the overall somatostatin analog market. Taking into account the estimated proportion of Somatostatin LAR sales attributable to NEN treatment and the sales of other NEN therapies, including targeted therapies and chemotherapy, Somatostatin LAR

was estimated to account for approximately 25% of the NEN treatment market in China by sales revenue in 2025. Prices of short-acting octreotide products generally ranged from RMB0.5 thousand to RMB1 thousand per month, while long-acting octreotide products generally ranged from RMB4 thousand to RMB6 thousand per month. The monthly cost of Somatostatin LAR is approximately RMB5 thousand in China. In cases where the disease progresses, peptide receptor radionuclide therapy ("**PRRT**") with ^{177}Lu-DOTATATE is recommended for SSTR-positive tumors. Additional therapeutic options include targeted therapies such as everolimus, sunitinib, surufatinib, and chemotherapy with temozolomide plus capecitabine.

- For well-differentiated Grade 3 NETs, current treatment options in China mainly include chemotherapy, somatostatin analogs for selected SSTR-positive tumors, targeted therapies and participation in clinical trials. While PRRT with ^{177}Lu-DOTATATE has been recommended for selected SSTR-positive tumors in certain overseas treatment guidelines, Lutathera® had not been approved in China as of the Latest Practicable Date.
- For poorly differentiated NECs, systemic treatment typically begins with chemotherapy, such as temozolomide combined with capecitabine or tegafur, among other regimens. In tumors with specific biomarkers – such as MSI-H, dMMR, or high tumor mutational burden ("**TMB-H**") – immunotherapy with pembrolizumab may be an effective option. Additional avenues include clinical trial enrollment for select cases.

Treatment Paradigm for GEP-NENs



Abbreviations: MSI-H = microsatellite instability-high; dMMR = deficient mismatch repair; VHL = von Hippel-Lindau disease (in the context of VHL disease-associated pNETs).

Source: CSCO 2024, NCCN V1.2025, CIC

For SSTR-positive G1/G2 GEP-NETs, which are generally well differentiated, treatment follows a relatively well-established and standardized pathway. In contrast, SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins represent a more heterogeneous patient population than G1/G2 GEP-NETs. As a result, there is no single standardized treatment pathway applicable across these subtypes, and treatment is generally individualized based on tumor type, grade and other disease characteristics. XTR008 is expected to be priced at a level comparable to that of Lutathera®. As of the Latest Practicable Date, Lutathera® had not received an NDA from the NMPA in China.

Comparison of Clinical Management and Treatment Pathways between Indications

Dimensions	SSTR+ G1/G2 GEP-NETs	SSTR+ G3 GEP-NETs	NENs of non-GEP origin	PPGLs
Patient profile	• Well-differentiated GEP-NETs with relatively indolent biology and generally high SSTR expression.	• Mainly well-differentiated G3 GEP-NETs with higher proliferative activity and more aggressive behavior.	• Heterogeneous group, principally including lung and thymic NENs, with variable SSTR expression and tumor biology.	• Rare adrenal or extra-adrenal neuroendocrine tumors with heterogeneous behavior and SSTR expression.
Local treatment pathway	• Surgery preferred; selected patients may receive liver-directed or other local therapies.	• Surgery may be considered in localized or resectable disease.	• Site-specific surgery preferred where feasible; radiotherapy or other local treatment may be used in selected patients.	• Surgery is the main treatment for localized or resectable disease; locoregional treatment may be used in selected cases.

Dimensions	SSTR+ G1/G2 GEP-NETs	SSTR+ G3 GEP-NETs	NENs of non-GEP origin	PPGLs
Advanced treatment pathway	• SSAs are the backbone; targeted therapies, chemotherapy and PRRT may be used after progression.	• Treatment is individualized; CAPTEM[2] and other systemic therapies may be used, and PRRT is supported internationally in selected patients.	• No single treatment standard; options may include SSAs, everolimus, chemotherapy and selected use of PRRT.	• Treatment is individualized and may include radiopharmaceutical therapy, CVD chemotherapy, temozolomide-based therapy and targeted therapy.
Unmet needs	• Disease progression may occur after SSAs and subsequent therapies; no approved SSTR-targeted therapeutic radioligand is available in China.	• Limited treatment options and non-standardized sequencing; globally, Lutathera® has not been approved for this indication	• Fragmented evidence and treatment sequencing; globally, Lutathera® has not been approved for this indication	• No standardized systemic treatment sequence; available treatment options remain limited. Globally, Lutathera® has not been approved for this indication
Total cost over treatment course[1]	• **SSA**: ~RMB0.1 million (approximately RMB5,000 per month for 16 months)	• **CAPTEM[2]**: RMB6-12 thousand • **EP chemotherapy**: RMB0.5-1.1 thousand	• **Everolimus**: RMB65 thousand • **CAPTEM[2]**: RMB8-17 thousand • **SSA**: ~RMB0.1 million	• **CVD chemotherapy**: RMB12-18 thousand • **Temozolomide**: RMB6-13 thousand • **Sunitinib**: RMB10-14 thousand
Efficacy data of existing treatment option based on non-head-to-head comparisons	• **SSA:** ORR 2.0%; DCR 66.3%.	• **CAPTEM[2]**: ORR 30.0%; DCR 76.7% • **EP chemotherapy**: ORR 25.0%; DCR 50.0%	• **Everolimus**: ORR 1.6%; DCR 81.0%. • **CAPTEM**: ORR 30.0%; DCR 85.0%. • **SSA**: ORR 14.0%; CBR 90.0%	• **CVD chemotherapy**: ORR 26.1%; DCR 47.8% • **Temozolomide**: ORR 24.4%; DCR 83.3% • **Sunitinib**: ORR 36.1%

Abbreviations: SSA = somatostatin analogue; CAPTEM = capecitabine plus temozolomide; EP chemotherapy = etoposide plus platinum-based chemotherapy; CVD chemotherapy = cyclophosphamide, vincristine and dacarbazine.

*Notes: 1. Treatment cost represents the estimated drug acquisition cost over the corresponding median progression-free survival ("**mPFS**") based on prevailing treatment regimens and drug prices in China.*

2. CAPTEM is an oral combination chemotherapy regimen comprising capecitabine and temozolomide, commonly used in selected patients with advanced NETs.

Source: Chinese Society of Nuclear Medicine, Journal of Nuclear Medicine, companies' announcements, CIC

Radioligand therapy, particularly PRRT, represents a targeted treatment approach that combines a tumor-targeted molecule with a radioactive payload. In the context of NENs, PRRT employs somatostatin analogs labeled with beta-emitting radionuclides, such as ^{177}Lu or ^{90}Y, which selectively bind to SSTRs overexpressed on tumor cell membranes. Once bound, the targeting ligand delivers localized radiation to the tumor, inducing DNA damage and cell death, while sparing surrounding healthy tissue leveraging the short path length of beta particles. ^{177}Lu has become the gold standard for radionuclide therapy due to its favorable physical and safety profile. It emits low-energy beta radiation, which is effective for tumor control while minimizing damage to surrounding tissues, especially the kidneys. Therefore, PRRTs are considered a more promising therapeutic approach than traditional treatment options, such as somatostatin analogs.

^{177}Lu-DOTATATE, one of the most widely used PRRT agents, has been approved in both the U.S. and EU for the treatment of SSTR-positive, well-differentiated GEP-NETs. The Phase III NETTER-1 trial demonstrated that ^{177}Lu-DOTATATE significantly prolonged median progression-free survival ("**PFS**") to 28.4 months compared to 8.5 months with high-dose somatostatin long-acting repeatable ("**LAR**") in patients with G1 and G2 GEP-NETs. Building on this, the Phase III NETTER-2 trial confirmed the benefit of ^{177}Lu-DOTATATE in newly diagnosed patients with advanced Grade 2 and 3 GEP-NETs, showing a median PFS of 22.8 months, again outperforming high-dose somatostatin LAR.

Market Size

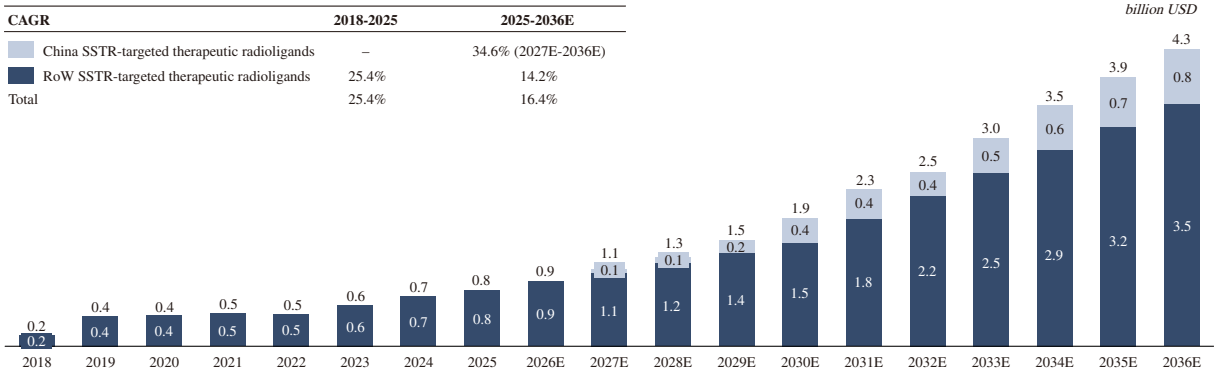
The global market for SSTR-targeted therapeutic radioligands was valued at US$0.2 billion in 2018 and increased to US$0.8 billion in 2025, reflecting a CAGR of 25.4%. This market is projected to reach US$4.3 billion in 2036, with a CAGR of 16.4% from 2025 to 2036. For SSTR-positive G1/G2 GEP-NETs, the global market size was US$0.8 billion in 2025 and is expected to reach US$3.5 billion in 2036, accounting for approximately 80% of the total global market size of SSTR-targeted therapeutic radioligands. In China, the market size was nil in 2025 and is expected to reach US$0.6 billion in 2036, accounting for approximately 70% of the total market size of SSTR-targeted therapeutic radioligands in

China. For SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, the global market size was nil in 2025 and is expected to reach US$0.7 billion in 2036, accounting for approximately 15% of the total global market size of SSTR-targeted therapeutic radioligands. In China, the market size was nil in 2025 and is expected to reach US$0.2 billion in 2036, accounting for approximately 25% of the total market size of SSTR-targeted therapeutic radioligands in China.

Growth in the G1 or G2 GEP-NETs market is expected to be driven by i) improved treatment options in second- and later-line settings. Innovative therapies have demonstrated favorable clinical benefits over existing standard therapies and are expected to drive PRRT penetration as clinical evidence and guideline recommendations continue to evolve; ii) potential treatment-line expansion. Given the clinical benefits observed in previously treated patients and the earlier-line approval of same-class PRRT products in certain overseas markets, innovative therapies may further expand into earlier treatment settings, thereby enlarging the addressable patient population; iii) broader adoption of SSTR-targeted diagnostic radiopharmaceuticals. Wider use of SSTR-targeted imaging is expected to improve patient identification, treatment matching and theranostic adoption, supporting expansion of the treatable patient pool; and iv) improved accessibility supported by reimbursement and infrastructure development. Inclusion of GEP-NETs in China's rare disease catalogue, the existing reimbursement pathway for SSA therapies, expansion of PRRT-capable nuclear medicine centers and improved domestic radioisotope supply are expected to enhance patient access to PRRT.

Growth in PPGL and other NET market, is expected to be primarily driven by: i) limited existing standard treatment options. These patients represent heterogeneous NEN subtypes with limited effective therapies, and innovative therapies may address important treatment gaps for SSTR-positive patients; ii) potential expansion of PRRT into broader NEN subtypes. Clinical data in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins support further development of innovative therapies in these patient populations, potentially broadening the application of PRRT beyond traditional G1/G2 GEP-NETs; iii) improved patient screening through diagnostic radiopharmaceuticals. Broader use of SSTR-targeted diagnostic radiopharmaceuticals is expected to improve identification of eligible SSTR-positive patients and expand the potential treatable population; and iv) enhanced nuclear medicine treatment capacity. Expansion of qualified nuclear medicine centers, development of specialized clinical teams and improved supply capacity for key radioisotopes such as ^{177}Lu are expected to support broader clinical adoption and commercialization of PRRT. With the anticipated approval of the first SSTR-targeted therapeutic radioligands in 2026, and driven by the rising clinical demand for targeted therapies in NETs, urgent patient needs for more effective and personalized treatment options, the continued expansion of nuclear medicine departments and hospitals with established radiopharmaceutical administration and radionuclide therapy capabilities a growing number of SSTR-targeted therapeutic radioligands advancing through clinical development, and supportive health policy frameworks that promote the use of nuclear medicine in oncology the market in China is expected to significantly grow from US$0.1 billion in 2027 to US$0.8 billion in 2036 with a CAGR of 34.6%.

Historical and Forecasted Global Market Size of SSTR-targeted Therapeutic Radioligands, 2018-2036E



Note: The market size is based on net sales adjusted from Wholesale acquisition cost (WAC).

Source: Cancer, NCCN, EMA, FDA, ClinicalTrials, Annual reports, BMC, CSCO, CDE, CIC

Competitive Landscape

As of the Latest Practicable Date, Lutathera® was the only radioligand therapy that received full marketing approval for the treatment of GEP-NETs on a global scale. It is administered intravenously. It was first approved by the FDA in 2018 in combination with long-acting octreotide for adults with SSTR-positive GEP-NETs. In 2024, the FDA expanded its indication to include pediatric patients aged 12 years and older. Currently, Lutathera® is commercially available in the U.S., Canada, the EU, and Japan, though it has not yet been launched in China. Since its approval, Lutathera® has demonstrated strong sales momentum, growing from approximately US$167.0 million in 2018 to US$816.0 million in 2025, making it one of the fastest-growing products in Novartis' portfolio. In addition, BEXLUTRY™ developed by Curium had only been approved in the U.S. in September 2026 for adult patients with SSTR-positive GEP-NETs, including foregut, midgut and hindgut NETs, through the FDA's 505(b)(2) pathway as a radioligand equivalent to Lutathera®. In March 2026, PNT2003 developed by Lantheus received FDA tentative approval under the ANDA pathway as a radioequivalent to Lutathera®; final FDA approval was granted in September 2026.

As of the Latest Practicable Date, nine SSTR-targeted therapeutic radioligands were under Phase III or later-stage clinical development globally. XTR008 stands out as the most clinically advanced product candidate.

Global Competitive Landscape of SSTR-targeted Therapeutic Radioligands for Advanced SSTR-positive NENs (Including GEP-NETs and/or Other NENs) under Phase III or Later-stage Clinical Development

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
XTR008**	**^{177}Lu-DOTATATE**	**Our Company**	**III**	**N/A**	**China**	**SSTR+ G3 GEP-NETs/PPGLs/NENs of other origins*****
Lutathera	^{177}Lu-DOTATATE	Novartis	III	2019-06-03	U.S., and others*	Inoperable, SSTR+ G2/G3 GEP-NETs
ITM-11	^{177}Lu-DOTA-TOC	Isotope Technologies Munich; DuChemBio; Grand Pharmaceutical	III	2021-06-09	U.S., China, and others*	Well-differentiated, aggressive, G2/G3, SSTR+ GEP-NET
N/A	^{177}Lu-DOTATATE	Medeno	III	2025-07-15	China	Advanced SSTR+ GEP-NETs

Global Competitive Landscape of SSTR-targeted Therapeutic Radioligands for SSTR-positive G1/G2 GEP-NETs under Phase III or Later-stage Clinical Development

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
XTR008**	**^{177}Lu-DOTATATE**	**Our Company**	**NDA**	**2025-04-18**	**China**	**Unresectable or metastatic, progressive, well-differentiated (G1 and G2) SSTR+ GEP-NETs**
ITM-11	^{177}Lu-DOTA-TOC	Isotope Technologies Munich; DuChemBio; Grand Pharmaceutical	NDA	2025-11-13	U.S.	Inoperable, progressive, G1/G2, SSTR+ GEP-NETs
PNT2003	^{177}Lu-DOTATATE	Lantheus	ANDA	2026-03-02****	U.S.	SSTR+ GEP-NETs
N/A	^{177}Lu-DOTATATE	Tianjin Hengrui Pharmaceutical	ANDA	2026-04-01****	China	Advanced GEP-NETs
BEXLUTRY	^{177}Lu-DOTATATE	Curium	ANDA	2026-09-14****	U.S.	SSTR+ GEP-NETs
RYZ101	^{225}Ac-DOTATATE	RayzeBio	III	2022-07-28	U.S., and others*	Inoperable, advanced, SSTR+, well-differentiated GEP-NETs that have progressed following prior ^{177}Lu-SSA therapy
N/A	^{177}Lu-DOTATATE	HTA Co., Ltd.	III	2024-01-04	China	Unresectable or metastatic, progressive, well-differentiated (G1 and G2) SSTR+ GEP-NETs
Lutathera	^{177}Lu-DOTATATE	Novartis	III	2025-06-10	U.S., China, and others*	G1/G2 (Ki-67<10%) advanced GEP-NETs with high disease burden

Notes:

* *Others refer to countries and regions other than China and the U.S.*

** *XTR008 is a generic version of Lutathera® and first of its kind to file an NDA as a Class 3 chemical drug to the NMPA, and also being investigated as a Class 2.4 chemical drug in a Phase III clinical trial for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. For details regarding the difference between XTR008 and Lutathera®, see "Business – Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand."*

*** *The use of XTR008 for the treatment of advanced SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, is considered an indication expansion by the NMPA. The patient population includes: (1) G3 GEP-NETs, (2) NENs of other origins, primarily including pulmonary/thymic NENs, NENs originating from other sites, and NENs of unknown primary origin, and (3) PPGLs. Except for XTR008, no product candidates are under Phase III or later-stage clinical development for the treatment of NENs of non-GEP origins, primarily including pulmonary/thymic NENs, NENs originating from other sites, and NENs of unknown primary origin, and PPGLs.*

**** *Lantheus received FDA's final approval for the ANDA of PNT2003 in September 2026. According to the CDE's "Chemical Drug Review Sequence Publication" database, Tianjin Hengrui Pharmaceutical's ^{177}Lu-DOTATATE injection (Acceptance No. CYHS2600762) is classified as an "ANDA" under the "Review Task Classification" category. Curium's BEXLUTRY received FDA approval on September 14, 2026, via the 505(b)(2) NDA pathway for adults with SSTR-positive GEP-NETs.*

Source: CDE, Clinicaltrials, CIC

For SSTR-positive G1/G2 GEP-NETs, XTR008 is differentiated from currently approved radioligand therapies primarily through its proprietary manufacturing and formulation processes, which enhance radiochemical purity and stability and support a potential extension of shelf life. For SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, existing systemic treatments generally provide limited tumor response, and certain guideline-recommended therapies remain unavailable or unapproved in China. In comparison, XTR008 achieved an ORR of 60% and a DCR of 100% in its exploratory Phase II clinical trial in patients who had failed, were intolerant to or had no access to best available treatment, with median DoR and PFS not reached after a median follow-up of 16 months and no new safety signals observed.

CAD

CAD is a pathological condition characterized by the accumulation of atherosclerotic plaques in the epicardial arteries, which can be either obstructive or non-obstructive. Obstructive CAD involves the gradual narrowing or blockage of the arteries that affect the supply of blood to myocardium, typically due to plaque buildup (atherosclerosis). Myocardial ischemia is a major functional consequence of CAD and may occur when coronary blood flow is insufficient to meet myocardial oxygen demand. Anatomical coronary stenosis does not always correlate with functional ischemia, and studies have shown that approximately 35% to 50% of angiographically intermediate coronary stenoses are functionally significant. In addition, coronary microcirculatory dysfunction is increasingly recognized in patients with angina symptoms and non-obstructive CAD, with studies estimating that approximately 40% to 70% of patients undergoing coronary angiography for angina symptoms present with non-obstructive CAD. The progression of CAD may remain stable for extended periods, referred to as chronic coronary syndromes, but may also become unstable and progress to acute coronary syndromes at any time.

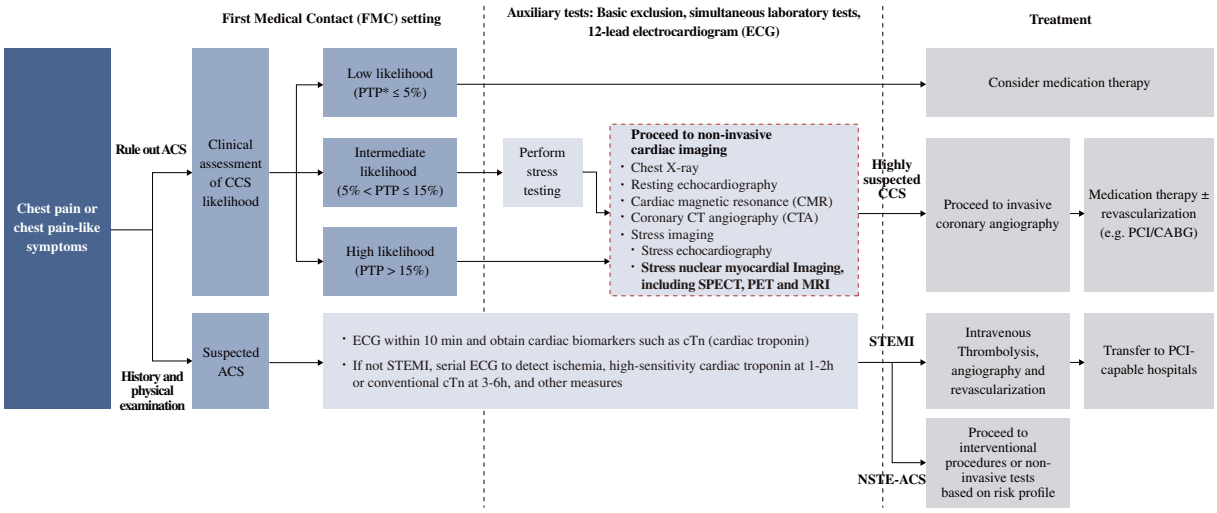
The number of CAD patients worldwide was 313.6 million in 2020, and reached 317.3 million in 2025, representing a CAGR of 0.2% from 2020 to 2025. The number of CAD patients worldwide includes the number of CAD patients in China. The number is expected to reach 323.8 million in 2036, with a CAGR of 0.2% from 2025 to 2036. In China, the prevalence of CAD has also remained relatively stable. The number of CAD patients was 11.2 million in 2020 and reached 11.6 million in 2025, representing a CAGR of 0.8% from 2020 to 2025. This number is projected to rise further to 12.4 million by 2036, with a CAGR of 0.6% from 2025 to 2036.

Diagnosis of CAD

The diagnosis of CAD begins with assessing chest pain or chest pain-like symptoms. First, acute coronary syndrome is ruled out based on guidelines. The likelihood of chronic coronary syndrome is then clinically assessed, categorized into low, intermediate, or high likelihood based on pre-test probability ("**PTP**"). For low likelihood (PTP ≤ 5%), medication therapy is considered. For intermediate likelihood (5% < PTP ≤ 15%), non-invasive cardiac imaging tests, such as coronary computed tomography angiography, stress testing with echo, SPECT imaging or PET imaging, MRI, are recommended. For high likelihood (PTP > 15%), invasive coronary angiography is recommended, supplemented with FFR assessment to accurately evaluate the functional significance of intermediate coronary lesions. Auxiliary tests such as lab work, ECG, and chest X-ray support the diagnosis of CAD.

For suspected acute coronary syndrome, a 12-lead electrocardiogram ("**ECG**") should be performed within 10 minutes along with obtaining cardiac biomarkers such as troponin ("**cTn**"). If ST-segment elevation myocardial infarction ("**STEMI**") is not identified, serial ECGs and high-sensitivity cardiac troponin tests at 1 to 2 hours or conventional troponin tests at 3 to 6 hours are conducted, alongside a detailed history and physical examination. STEMI cases require immediate intravenous thrombolysis, angiography, and revascularization, while non-ST-segment elevation acute coronary syndrome ("**NSTE-ACS**") cases proceed to interventional procedures or non-invasive tests based on risk assessment, with transfer to percutaneous coronary intervention ("**PCI**")-capable hospitals when necessary.

Diagnostic Paradigm for CAD



Abbreviations: ACS = Acute Coronary Syndrome; CCS = Chronic Coronary Syndrome; STEMI = ST-Segment Elevation Myocardial Infarction, NSTE-ACS = Non-ST-Segment Elevation Acute Coronary Syndrome; ECG = 12-lead electrocardiogram; PCI = percutaneous coronary intervention.

*Note: Pre-test Probability ("**PTP**") refers to the estimated likelihood that a patient has a specific disease (e.g., chronic coronary syndrome) before conducting diagnostic tests, based on clinical evaluation and initial findings.*

Source: Chinese Journal of Cardiology, CIC

Although structural imaging such as coronary CTA and coronary angiography visualize coronary anatomy and detect stenosis, it cannot determine if a luminal narrowing causes ischemia. Functional measurement – including stress echocardiography, SPECT imaging, PET imaging, CMR, and pressure wire-derived FFR – assesses the physiological impact of flow-limiting lesions by evaluating myocardial perfusion or hemodynamic significance. Compared to structural imaging, functional measurement more accurately identifies ischemia, improves risk stratification, and guides treatment decisions, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction.

The use of pressure wire for measuring FFR has several shortcomings, primarily due to its invasive procedure and the associated patient suffering. It requires coronary catheterization, which carries risks such as vascular injury, bleeding, or infection. Additionally, the procedure involves manipulating a delicate wire through complex or tortuous coronary lesions, which can be technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy.

Therefore, radionuclide myocardial imaging plays a vital role in the diagnosis, risk stratification, detection of viable myocardium, treatment planning, efficacy evaluation, and prognosis assessment. MPI with SPECT, most commonly using ^{99m}Tc-MIBI radiotracer, is a non-invasive method for diagnosing myocardial ischemia and identifying ischemic regions in patients with CAD. However, SPECT-MPI is limited to qualitative assessments and lacks adequate sensitivity for detecting multi-vessel disease and microvascular dysfunction, which may result in missed or inaccurate diagnoses.

In China, in comparison, PET-MPI is less commonly used than in developed countries but offers significant advantages over clinically applicable SPECT-MPI, including higher spatial resolution, advanced attenuation correction, and the ability to quantify myocardial blood flow. PET imaging can also assess myocardial flow reserve under both resting and stress conditions. This capability helps reduce unnecessary coronary angiography and fractional flow reserve testing, improving diagnostic accuracy and guiding treatment decisions, while also shortening examination time and supporting broader clinical adoption.

Clinically, it is critical to distinguish viable myocardium from scarred or non-viable tissue in patients with infarcted myocardium following a myocardial infarction. This distinction plays a key role in determining whether the patient may benefit from early revascularization – such as coronary artery bypass grafting or percutaneous coronary intervention – to improve clinical outcomes. Conventional PET myocardial metabolic imaging uses the strategy of glucose loading and ^{18}F-FDG injection to assess total metabolic activity, capturing both intrinsic glucose metabolism and the metabolic shift from fatty acid to glucose utilization in infarcted myocardium. However, this method has several limitations, including

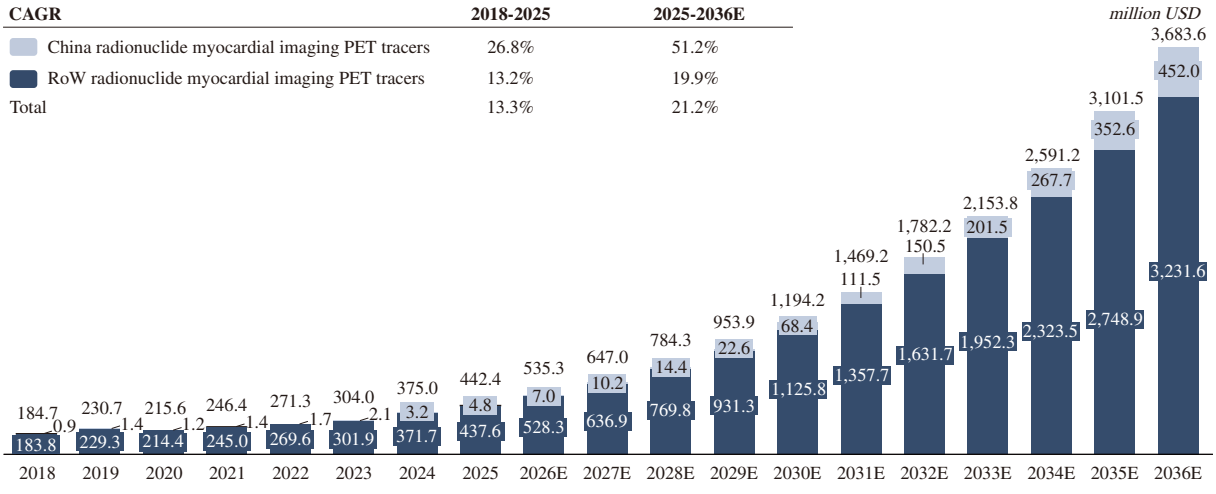
(1) the need for glucose regulation, which prolongs the procedure and reduces clinical efficiency, (2) interference from factors that affect image quality in diabetic patients, and (3) an increased risk of hypoglycemia during the glucose-loading process. These limitations highlight the significant clinical needs in PET-based myocardial metabolic imaging.

Market Size

The global market size for radionuclide myocardial imaging PET tracers was US$0.2 billion in 2018 and reached US$0.4 billion in 2025, with a CAGR of 13.3%. It is projected to grow to US$3.7 billion in 2036, representing a CAGR of 21.2% from 2025 to 2036. This market comprises of radiotracers used to detect for myocardial ischemia and coronary microcirculatory dysfunction, where myocardial ischemia detection accounts for over 90% of the total radionuclide myocardial imaging radiotracer market size. The forecast growth of the global market is primarily driven by (i) the increasing burden of cardiovascular diseases and corresponding demand for myocardial perfusion assessment; (ii) the gradual penetration of PET-MPI as a more quantitative modality of myocardial perfusion imaging; (iii) increasing availability and clinical adoption of PET-MPI tracers; and (iv) continued expansion of PET/CT infrastructure and nuclear medicine capabilities.

Historical and Forecasted Global Market Size of Radionuclide Myocardial Imaging PET Tracers, 2018-2036E

CAGR	2018-2025	2025-2036E
China radionuclide myocardial imaging PET tracers	26.8%	51.2%
RoW radionuclide myocardial imaging PET tracers	13.2%	19.9%
Total	13.3%	21.2%

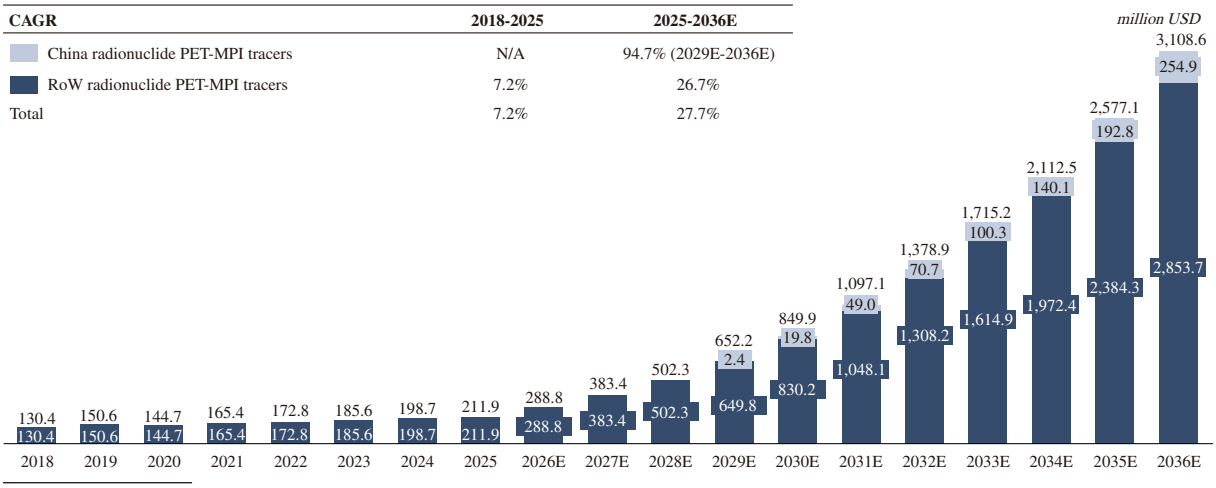


Note: The market size is based on net sales adjusted from Wholesale acquisition cost (WAC). The market size is estimated based on the sales of approved PET radiotracers indicated for myocardial imaging that are commercially available in China, excluding in-house preparations produced by hospitals.

Source: NBSC, NHC, National Center for Cardiovascular Diseases (國家心血管病中心), Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, JACC, FDA, CIC

The global market for radionuclide PET-MPI tracers increased from US$130.4 million in 2018 to US$211.9 million in 2025, representing a CAGR of 7.2%, and is expected to further grow to US$3,108.6 million by 2036, representing a CAGR of 27.7% from 2025 to 2036. In China, the commercial market for PET-MPI tracers is expected to emerge in 2029, reaching US$2.4 million in 2029 and US$254.9 million by 2036, representing a CAGR of 94.7% during this period. In 2025, the average daily number of PET-MPI procedures globally was approximately 1.7 thousand. As of the Latest Practicable Date, no PET-MPI radiotracers had been approved in China, and PET-MPI procedures were primarily performed using hospital-prepared radiotracers, such as ^{13}N-ammonia. By 2030, the average daily number of PET-MPI procedures is expected to reach approximately 4.2 thousand globally and 0.1 thousand in China (equivalent to approximately 35.3 thousand procedures annually in 2030 in China), accounting for approximately 7.5% and 12.3% of total radionuclide MPI procedures in their respective markets, respectively. The projected PET-MPI procedure volume is particularly notable given the relatively early stage of PET-MPI commercialization in China, limited reimbursement coverage, higher examination costs and limited availability of PET imaging equipment. These factors have been taken into account in the market forecast, which assumes a gradual increase in PET-MPI adoption as reimbursement coverage expands and PET imaging equipment becomes more widely available.

Historical and Forecasted Global Market Size of Radionuclide PET-MPI Tracers, 2018–2036E

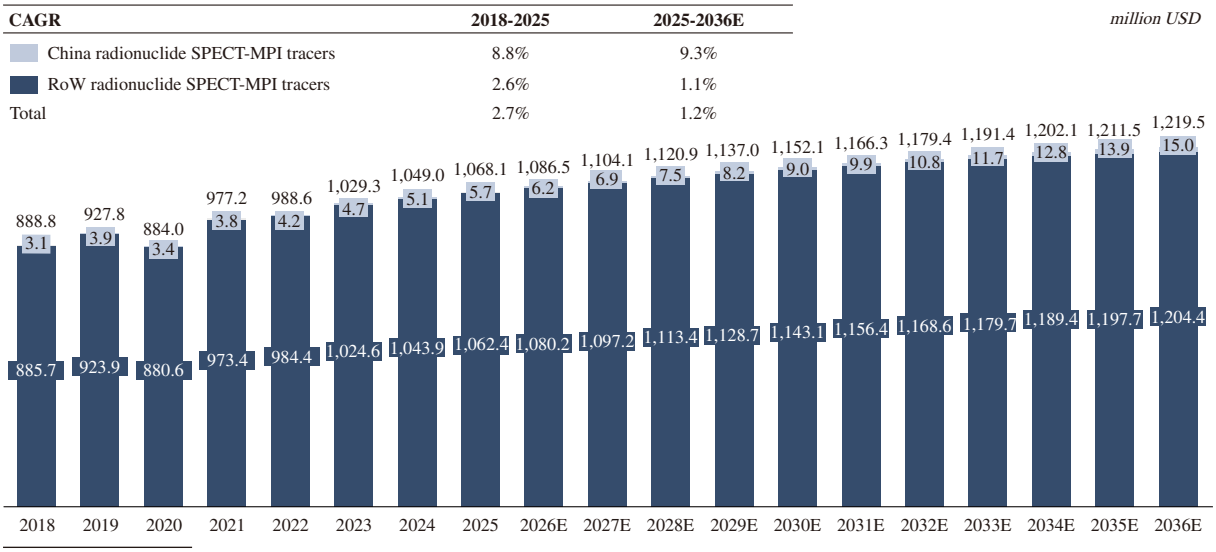


Note: The market size is based on net sales adjusted from Wholesale acquisition cost. The market size is estimated based on the sales of approved PET radiotracers indicated for myocardial perfusion imaging that are commercially available in China, excluding in-house preparations produced by hospitals.

Source: NBSC, NHC, National Center for Cardiovascular Diseases (國家心血管病中心), Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, JACC, FDA, CIC

The global market for radionuclide SPECT-MPI tracers increased from US$888.8 million in 2018 to US$1,068.1 million in 2025, representing a CAGR of 2.7%, and is expected to further grow to US$1,219.5 million by 2036, representing a CAGR of 1.2% from 2025 to 2036. In China, the market increased from US$3.1 million in 2018 to US$5.7 million in 2025, representing a CAGR of 8.8%, and is expected to reach US$15.0 million by 2036, representing a CAGR of 9.3% from 2025 to 2036. Currently, SPECT-MPI, particularly using ^{99m}Tc-MIBI radiotracers, remains the dominant modality for radionuclide myocardial perfusion imaging both globally and in China. In 2025, the average daily number of SPECT-MPI procedures was approximately 47.9 thousand globally and 0.4 thousand in China (equivalent to 148.4 thousand procedures annually in 2025 in China). By 2030, the corresponding average daily procedure volumes are expected to reach approximately 51.8 thousand globally and 0.7 thousand in China (equivalent to 250.8 thousand procedures annually in 2030 in China), accounting for approximately 92.5% and 87.7% of total radionuclide MPI procedures in their respective markets, respectively.

Historical and Forecasted Global Market Size of Radionuclide SPECT-MPI Tracers, 2018–2036E



Note: The market size is based on net sales adjusted from Wholesale acquisition cost. The market size is estimated based on the sales of approved SPECT radiotracers indicated for myocardial perfusion imaging that are commercially available in China, excluding in-house preparations produced by hospitals.

Source: NBSC, NHC, National Center for Cardiovascular Diseases (國家心血管病中心), Chinese Journal of Nuclear Medicine and Molecular Imaging, CDE, JACC, FDA, CIC

Both SPECT-MPI and PET-MPI are recommended CAD diagnostic methods for functional circulatory system measurement for patients with intermediate likelihood of coronary symptoms, while PET-MPI provides higher spatial resolution, advanced attenuation correction, and the ability to quantify myocardial blood flow. The projected PET-MPI procedure volumes globally and in China represent the directly addressable market for XTR004, while the substantial existing SPECT-MPI procedure volumes represent a broader potential market opportunity. As both modalities serve the same clinical need for non-invasive assessment of myocardial perfusion and ischemia, the increasing adoption of PET-MPI, driven by its superior diagnostic accuracy and ability to quantify myocardial blood flow, may facilitate a gradual transition from SPECT-MPI to PET-MPI, thereby expanding the potential market demand for XTR004.

As of the Latest Practicable Date, ^{18}F-FDG was the only PET tracer approved in China for radionuclide myocardial imaging in the diagnosis of CAD with left ventricular dysfunction. With the anticipated approval of more innovative tracers beginning in 2028, and driven by the rising prevalence of cardiovascular diseases, growing clinical demand for more accurate and early-stage cardiac diagnostics, the increasing clinical demand for quantitative myocardial perfusion assessment, improved detection of multivessel and microvascular coronary artery disease, better risk stratification for patients with suspected or established CAD, the need for more accurate non-invasive cardiac imaging in patients with equivocal or suboptimal results from conventional modalities, and the continued expansion of PET imaging infrastructure, nuclear medicine departments and hospital-based radiopharmaceutical administration capabilities, following the cancellation in 2025 of the administrative approval requirement of Class I and Class II permit for medical institutions to use radioactive drugs and strong policy support – such as the "Healthy China 2030" initiative – which promotes early screening, precise diagnosis, and the development of radiopharmaceuticals in China, the market for radionuclide myocardial imaging PET tracers in China is expected to grow substantially, expanding from US$4.8 million in 2025 to US$452.0 million in 2036, representing a robust CAGR of 51.2%. Nevertheless, the development and adoption of PET-MPI vary across jurisdictions. Compared with certain overseas markets, PET-MPI in China remains at an earlier stage, with a more limited range of approved tracers and relatively low penetration. Accordingly, the forecast growth in China primarily reflects gradual penetration from a low base, rather than an assumption of broad replacement of SPECT-MPI. Therefore, in China, the adoption of PET-MPI may be constrained by limited reimbursement coverage for PET/CT imaging, relatively high out-of-pocket costs, and the availability of PET/CT equipment and qualified nuclear medicine facilities. These constraints have been taken into account in the market forecast, while the high forecast CAGR partly reflects the current low market base.

Reimbursement coverage for PET/CT imaging in China remains limited and geographically fragmented. While certain local medical insurance schemes have gradually introduced reimbursement for specified indications, such as oncology-related applications in Zhejiang Province, PET/CT examinations remain self-funded in certain regions, and there is currently no uniform nationwide reimbursement coverage. Reimbursement coverage is expected to broaden gradually alongside the development of medical insurance payment policies, reforms in medical service pricing and increasing clinical adoption of PET/CT, although there is currently no published timetable for comprehensive nationwide reimbursement.

The availability of PET/CT equipment in China has continued to increase. According to CIC, the number of PET/CT scanners increased from approximately 470 in 2020 to approximately 1,015 in 2025 and is expected to reach approximately 2,500 by 2036, representing a CAGR of approximately 8.5% from 2025 to 2036, driven by the continued expansion of nuclear medicine capacity and growing clinical demand for PET/CT imaging. According to national surveys conducted by the Chinese Society of Nuclear Medicine, the number of annual PET/CT examinations increased from approximately 0.85 million in 2019 to approximately 1.38 million in 2023, representing a CAGR of approximately 12.9%. The number of PET/CT examinations is expected to continue to grow rapidly, supported by the expansion of PET/CT capacity, broader availability of PET radiotracers and increasing clinical adoption across a wider range of applications.

The availability of qualified nuclear medicine facilities capable of providing PET imaging services in China has also continued to expand. The number of medical institutions equipped with positron imaging equipment increased from 287 in 2017 to 659 in 2023. PET/CT systems represented over 90% of all positron imaging equipment in China in 2023. The number of such qualified facilities is expected to continue to increase, supported by the continued expansion of PET imaging equipment and nuclear medicine infrastructure.

Competitive Landscape

As of the Latest Practicable Date, more than 30 ^{18}F-FDG products and four other PET tracers with different mechanisms of action had been approved by major regulatory authorities globally for myocardial imaging. However, ^{18}F-FDG products were the only PET tracer approved in China for myocardial imaging,

leaving a significant clinical need for innovative modalities to address their limitations. Globally, ^{82}Rb-chloride is the most widely used PET tracer for myocardial imaging, accounting for over 80% of the total market share in terms of revenue in 2025.

Approved Myocardial Imaging SPECT and PET MPI Tracers* on a Global Scale**

Structure/MoA***	Imaging Modality	Brand Name	Company****	Indication	Regulatory Authority**	Approval Date	Pricing Per Dose	Number of generic drugs
^{82}Rb-chloride	PET	Cardiogen-82	Bracco Diagnostics	for PET imaging of the myocardium under rest or pharmacologic stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing CAD	FDA	1989-12	~USD500	US: 0 CN: 0
^{13}N-Ammonia	PET	N/A	Feinstein Institute for Medical Research	Diagnostic PET imaging of the myocardium under rest or pharmacologic stress conditions to evaluate myocardial perfusion in patients with suspected or existing CAD	FDA	2007-08	~USD750	US: 32 CN: 0
^{82}Rb-chloride	PET	Ruby-Fill	DRAXIMAGE	for PET imaging of the myocardium under rest or pharmacologic stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing CAD	FDA	2016-09	~USD500	US: 0 CN: 0
^{18}F-Flurpiridaz	PET	Flyrcado	GE Healthcare	PET-MPI in adults with known or suspected CAD to evaluate for heart blood flow blockages (myocardial ischemia) and a heart attack (myocardial infarction)	FDA	2024-09	~USD2,200	US: 0 CN: 0
^{201}Tl-Thallous chloride	SPECT	N/A	Curium	SPECT-MPI for detecting myocardial infarction and reversible ischemia in adults with suspected CAD; also for localization of parathyroid hyperactivity	FDA, NMPA, EMA, PMDA	1979-10	~USD40	US: 7 CN: 3
^{99m}Tc-Sestamibi	SPECT	Cardiolite	Lantheus	SPECT-MPI for detecting CAD by localizing myocardial ischemia and infarction, and evaluating myocardial function to support patient management decisions	FDA, NMPA, EMA, PMDA	1990-12	~USD100	US: 6 CN: 5
^{99m}Tc-Tetrofosmin	SPECT	Myoview	GE Healthcare	SPECT-MPI for delineating myocardial ischemia or infarction in patients with known or suspected CAD, and assessing left ventricular function	FDA, NMPA, EMA, PMDA	1996-02	~USD100	US: 2 CN: 0

Notes:

* *Excluding ^{18}F-FDG products, which are used for myocardial metabolism imaging.*

** *For the purpose of this table, "on a global scale" refers to approved products and their regulatory approvals granted by the FDA, EMA, NMPA and/or PMDA. Accordingly, the approval information presented in this table is based on approvals by these four regulatory authorities.*

*** *All the products are administered intravenously.*

**** *This table only includes originator companies. For ^{201}Tl-Thallous chloride and ^{99m}Tc-Sestamibi, only generics were approved in China.*

Source: FDA, Medicare, CIC

China's PET radiotracer market developed later than those in the U.S. and European countries, primarily due to historically stringent regulatory barriers, reliance on imported medical isotopes, and the limited availability of advanced medical equipment in hospitals. The introduction of the Mid- and Long-Term Development Plan (2021–2035) for Medical Isotopes (《醫用同位素中長期發展規劃(2021–2035年)》) has since created a more favorable environment for the development of innovative radiopharmaceuticals, including PET radiotracers, which require a highly coordinated ecosystem to address the challenges posed by the extremely short half-lives of radioactive isotopes. Currently, no PET-

MPI radiotracers have been approved in China. There are 8 approved SPECT-MPI radiotracers in China, of which 7 are generics. In addition, 1 SPECT-MPI radiotracer is currently in clinical development in China. In 2025, sales of SPECT-MPI radiotracers in China was over 40 million RMB. The price of a PET-MPI procedure is generally higher than that of a SPECT-MPI procedure. The medical service fee for SPECT-MPI generally ranges from approximately RMB300 to RMB500 per examination, while the fee for PET-MPI generally ranges from approximately RMB2,000 to RMB4,300 per examination, depending on regional pricing standards and imaging protocols. Such fees generally exclude the costs of the radiopharmaceuticals used for imaging.

In China, ^{99m}Tc-Tetrofosmin, a SPECT-MPI, has been included in the 2025 NRDL as a Category B drug. For radiotracers not included in the NRDL, the associated costs are generally charged separately from the nuclear medicine examination and reimbursement, if available, depends on local governments' reimbursement policies or supplementary insurance arrangements.

In the US, there are currently 18 approved SPECT-MPI radiotracers and 36 approved PET-MPI radiotracers, including both originator radiotracers and generics. Globally in 2025, sales of SPECT-MPI radiotracers reached over 800 million USD, sales of PET-MPI radiotracers was approximately 400 million USD, with Flyrcado accounted for less than 5% of market share in PET-MPI radiotracers market in 2025. Compared with SPECT-MPI, PET-MPI generally offers higher spatial and temporal resolution, more robust attenuation correction, and the ability to quantify absolute myocardial blood flow and myocardial flow reserve, facilitating the assessment of diffuse or multivessel coronary artery disease and coronary microvascular dysfunction. PET-MPI also enables shorter image acquisition times and, depending on the radiotracer and imaging protocol, lower radiation exposure. Reflecting these clinical advantages, the American Society of Nuclear Cardiology recommended in 2026 that PET-MPI with myocardial blood flow quantification, if available, be the preferred modality for patients who meet the criteria for MPI. Nevertheless, SPECT-MPI remains more widely accessible due to its established installed base and radiotracer availability.

In the U.S., radiopharmaceutical tracers used for medically necessary SPECT-MPI and PET-MPI are generally reimbursable under Medicare, a federal health insurance program, with lower-cost diagnostic radiopharmaceuticals typically packaged into the associated nuclear-medicine payment and higher-cost radiopharmaceuticals separately reimbursed under the hospital outpatient payment system. For commercial insurance, reimbursement coverage is not standardized and varies by different insurance plans.

Globally, as of the Latest Practicable Date, there were three PET-MPI radiotracers in clinical development. In China, XTR004 is the only PET-MPI radiotracer currently in clinical development. XTR004 was the only PET-MPI tracer under development in China primarily because PET-MPI tracers are subject to high entry barriers across product development and clinical validation, including complex radiochemistry and manufacturing processes, short-half-life isotope supply and distribution, standardized PET imaging acquisition and interpretation protocols, and strict requirements on imaging quality control and data quantification. In particular, the clinical development of PET-MPI tracers requires a relatively complex trial design, as the investigational PET imaging results typically need to be evaluated against multiple diagnostic references, such as invasive coronary angiography, functional assessment of coronary physiology and/or established SPECT-MPI comparators, while also requiring standardized stress and rest imaging procedures, centralized image reading, quantitative myocardial blood flow analysis and cross-center consistency control, which increases development complexity, cost and execution difficulty.

XTR004 is expected to complement the existing CAD diagnostic paradigm by providing a non-invasive PET-based myocardial perfusion imaging option with quantitative myocardial blood flow assessment, which may improve the detection of coronary microvascular dysfunction, reduce reliance on invasive procedures for selected patients, and support more precise diagnosis and clinical decision-making in CAD.

Compared with traditional PET-MPI tracers used in clinical practice, including ^{13}N-ammonia, ^{82}Rb and ^{15}O-water, which have short physical half-lives of approximately 10 minutes, 76 seconds and 2 minutes, respectively, and generally require on-site production facilities such as a cyclotron or a dedicated generator, XTR004 is a PET-MPI tracer labeled with ^{18}F, which has a physical half-life of approximately 110 minutes. This longer half-life supports centralized production and regional distribution, thereby improving accessibility. In China, none of such traditional PET-MPI tracers had obtained formal marketing approval as of the Latest Practicable Date. To facilitate the clinical adoption of XTR004 upon approval, the Group intends to initially target hospitals with established PET/CT capabilities, leverage existing ^{18}F production and distribution infrastructure, promote physician education and the dissemination of clinical evidence, and adopt a competitive pricing strategy to address the relatively higher examination costs and more limited reimbursement coverage associated with PET-MPI.

As of the Latest Practicable Date, XTR003 was the first and only PET myocardial fatty acid metabolism imaging agent in China and globally. This is because the development of radiopharmaceuticals requires talent with expertise in pharmaceutical science, radiochemistry and nuclear medicine. When applied to CAD, and in particular to myocardial fatty-acid metabolic imaging, it additionally requires specialized expertise in nuclear cardiology. This unique combination of disciplines further limits the number of companies capable of attracting the specialized R&D talent needed to develop such products.

Global Competitive Landscape of Myocardial Imaging PET Tracers under Clinical Development

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
XTR004	**[^{18}F] Flormotridaz**	**Our Company**	**III**	**2025-12-17**	**China**	**PET-MPI for patients with suspected or known CAD, applied to the evaluation of myocardial ischemia**
N/A	^{15}O-H_2O	Medtrace Pharma	III	2021-11-24	U.S., Europe	PET-MPI imaging of subjects with suspected CAD
N/A	^{18}F-SYN2	Syn2bio	III	N/A	Europe[1]	PET-MPI imaging for the detection of significant coronary artery disease in patients with suspected CAD
XTR003	**^{18}F-labeled fatty-acid PET tracer**	**Our Company**	**II**	**2022-01-11**	**China**	**PET imaging for CAD and left ventricular dysfunction to assess myocardial viability and the potential for recovery of myocardial contractile function in cases of left ventricular dysfunction**
			II	**2025-12-18**	**China**	**PET myocardial fatty-acid metabolic imaging to assess myocardial viability in ischemic cardiomyopathy**

Note: 1. Syn2bio plans to initiate a Phase III clinical trial of ^{18}F-SYN2 in the U.S., once it obtains IND approval from the FDA.

Source: CDE, Clinicaltrials.gov, CTIS, CIC

Growth drivers and Future Trends

- ***Aging Population and Cardiovascular Burden.*** The global population is aging rapidly, with the number of individuals aged 60 and above projected to double in 2050, reaching 2.1 billion. This demographic trend has profound implications for public health, especially with cardiovascular diseases ("**CVD**") and CAD, which disproportionately impact older adults. In China, the burden is particularly heavy, with an estimated 330 million people suffering from CVD, including 11.39 million with coronary heart disease in 2023. According to the China Health Statistics Yearbook 2022, CVD remains the leading cause of death in both urban and rural areas, accounting for 48.98% and 47.35% of deaths, respectively, in 2021.
- ***Non-invasive Diagnostics.*** While coronary angiography remains a widely used diagnostic tool for CAD, clinical practice is increasingly shifting toward the integration of functional assessment techniques with anatomical imaging, and favoring non-invasive approaches over invasive procedures. This paradigm shift enables the accurate identification of functionally significant, ischemia-inducing lesions, ensuring that interventions are reserved for patients who truly need them. By reducing unnecessary invasive procedures and avoiding overtreatment, this approach optimizes both clinical outcomes and resource utilization, aligning with the trend toward personalized, evidence-based coronary care.
- ***Policy-Driven Disease Management.*** Government policies are playing a critical role in shaping the prevention and management of CVD. The 14th Five-Year Plan emphasizes enhancing early screening and diagnostic capabilities for chronic diseases. It encourages routine blood pressure checks for first-time outpatients over 35 and promotes opportunistic screening in clinical settings. Integrated management of hypertension, diabetes, and dyslipidemia is also a key priority, with targets for standardized care at the community level. These efforts, aligned with the Healthy China 2030 Plan, reflect a strategic move toward improving healthcare infrastructure and diagnostic precision to combat rising CVD rates.
- ***Advancement of Precision PET Imaging.*** Innovative PET imaging is transforming the evaluation of CAD by enabling precise, quantitative assessments of myocardial blood flow and coronary flow reserve, especially in patients with complex conditions like multivessel disease. Hybrid PET-CT systems, which integrate functional and anatomical imaging, offer high sensitivity and specificity, enhancing diagnostic confidence and aiding treatment decisions. While installation and operational costs remain high, PET imaging holds great promise in facilitating earlier diagnosis and personalized treatment strategies, thereby improving patient outcomes in CAD care.

Prostate Cancer

Prostate cancer is a common malignancy among middle-aged men, typically between 45 and 60 years old, and remains a major cause of male mortality worldwide. It is often diagnosed through prostate-specific antigen ("**PSA**") testing, digital rectal exams, MRI, and prostate biopsy. Genetic mutations – particularly those affecting the androgen receptor signaling pathway and testosterone metabolism – play a critical role in its development. In recent decades, PSMA has emerged as a promising diagnostic and therapeutic target due to its high expression in nearly all stages of prostate cancer, including bone and lymph node metastases, while maintaining low expression in normal tissues. PSMA levels in prostate cancer can increase by 100 to 1,000 times compared to benign tissues and further rise with tumor progression, especially in CRPC, a form of prostate cancer that continues to progress despite medical or surgical treatments to lower testosterone. Moreover, its large extracellular domain makes it accessible to small molecules and antibody-based therapies, and its internalization by tumor cells enhances its potential for targeted treatment.

Globally, the incidence of prostate cancer reached 1.4 million in 2020 and increased to 1.6 million in 2025, with a CAGR of 2.0%. The number is expected to further grow to 2.1 million in 2036, with a CAGR of 2.6% from 2025 to 2036. In China, the incidence of prostate cancer rose from 112,100 in 2020 to 171,300 in 2025, representing a CAGR of 8.8%. It is projected to further increase to 325,100 in 2036, with a CAGR of 6.0% from 2025 to 2036. In China, approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy. Approximately 70% of patients with prostate cancer experience disease progression after first-line treatment.

Diagnosis of Prostate Cancer

Early detection and accurate diagnosis are critical for effective prostate cancer management. PSA, a protein produced by prostate cells and mainly present in semen, is also found in the blood, where levels above 4 ng/ml may indicate prostate cancer. Genetic testing is also encouraged to guide treatment decisions and provide counseling, as mutation profiles vary with disease stage.

For clinical diagnosis, one or more approaches can be used to determine the disease stage and invasiveness. Digital rectal examination remains a valuable early diagnostic tool, despite its limitations in detecting non-palpable tumors. MRI has become one of the primary methods due to its effectiveness in tumor detection, staging, and guiding biopsies. PET-CT, particularly radionuclide-labeled PSMA-targeted PET tracer in combination with CT, offers superior diagnostic accuracy by targeting the PSMA protein highly expressed in prostate cancer cells, outperforming conventional imaging modalities ("**CIMs**") such as CT, MRI and ultrasound. Biopsy remains essential for diagnosis, although systematic transrectal or transperineal prostate biopsy may lead to false negatives or overdiagnosis.

Diagnostic Paradigm for Prostate Cancer

Surveillance screening & early diagnosis	Clinical diagnostic methodology			
PSA Screening	**Digital rectal examination (DRE)**	**MRI**	**PET-CT**	**Biopsy**
• **Definition:** PSA (prostate-specific antigen), a protein from prostate cells, is mostly found in semen but also circulates in the blood • **Feature:** The total PSA level is considered abnormal if it exceeds 4 ng/ml, which may signal prostate cancer due to tissue damage	• **Definition:** DRE aids in early diagnosis and staging of prostate cancer • **Feature:** A hard, non-tender prostate nodule with unclear boundaries is typical, but cancer may be present without palpable nodules, requiring PSA testing and imaging for full evaluation	• **Definition:** MRI is one of the primary methods for diagnosing Pca • **Feature:** The typical manifestation is a low-signal lesion in the peripheral zone on T2-weighted images, which contrasts significantly with the normal high-signal peripheral zone	• **Definition:** PSMA is highly and specifically expressed on the surface of prostate cancer cells, making it extremely valuable for research in molecular imaging prostate cancer • **Feature:** Radionuclide-labeled PSMA small molecule inhibitors have shown promising clinical application prospects	• **Definition:** A prostate biopsy is a procedure in which small samples of prostate tissue are removed, usually with a needle, to diagnose or rule out prostate cancer • **Feature:** Systematic transrectal or transperineal biopsy faces limitations such as false negatives, missed high-risk cancers, and overdiagnosis
Genetic testing				
• **Definition:** Genetic testing involves analyzing specific genes to identify inherited or acquired mutations • **Feature:** Prostate cancer mutation profiles vary by disease status and treatment stage				

Source: National Health Commission, CIC

PSMA-targeting ligands, such as antibodies or small molecules labeled with radionuclide tracers, facilitate precise visualization via PET imaging. When combined PSMA-targeted PET tracers with CT, PET-CT demonstrates high sensitivity and specificity in the detection and staging of prostate cancer, because this approach combines the molecular capabilities of PET with the morphologic features of CT, offering advantages over CIMs for diagnosing and monitoring various cancers, including prostate cancer.

PSMA-targeted PET-CT can be utilized for a range of clinical applications, including diagnosing primary lesions, guiding biopsies, staging and restaging, detecting biochemical recurrence, assessing treatment efficacy, and supporting PSMA-targeted radioligand therapy. It has also demonstrated superior sensitivity and specificity in detecting bone metastases compared to other imaging techniques. The heightened sensitivity of PSMA-targeted PET enables earlier detection of metastases, which can lead to a transition from non-metastatic castration-resistant prostate cancer ("**nmCRPC**") to mCRPC in many patients. Early identification of these metastases has the potential to improve clinical decision-making and optimize patient management. Given its enhanced performance compared to CIMs, PSMA-targeted PET is expected to improve the diagnosis of prostate cancer.

Market Size

Driven by the increasing prevalence of prostate cancer, heightened awareness and demand for precision oncology, rapid development of nuclear medicine infrastructure, and the expected regulatory approval of novel PSMA-targeted PET tracers in 2028, the market in China is expected to grow from RMB 1.0 billion in 2028 to RMB3.6 billion in 2036 with a CAGR of 17.7%.

Competitive Landscape

As of the Latest Practicable Date, ^{68}Ga-PSMA-11 by Novartis has been approved by the NMPA. Furthermore, more than ten PSMA-targeted PET tracers were under clinical development for the diagnosis of prostate cancer in China. Among them, XTR020, along with two other candidates, had submitted marketing approval applications to the NMPA, while three other candidates were in the registrational Phase III clinical stage.

Competitive Landscape of Radiopharmaceuticals for PSMA-targeted PET Tracer under Clinical Development in China

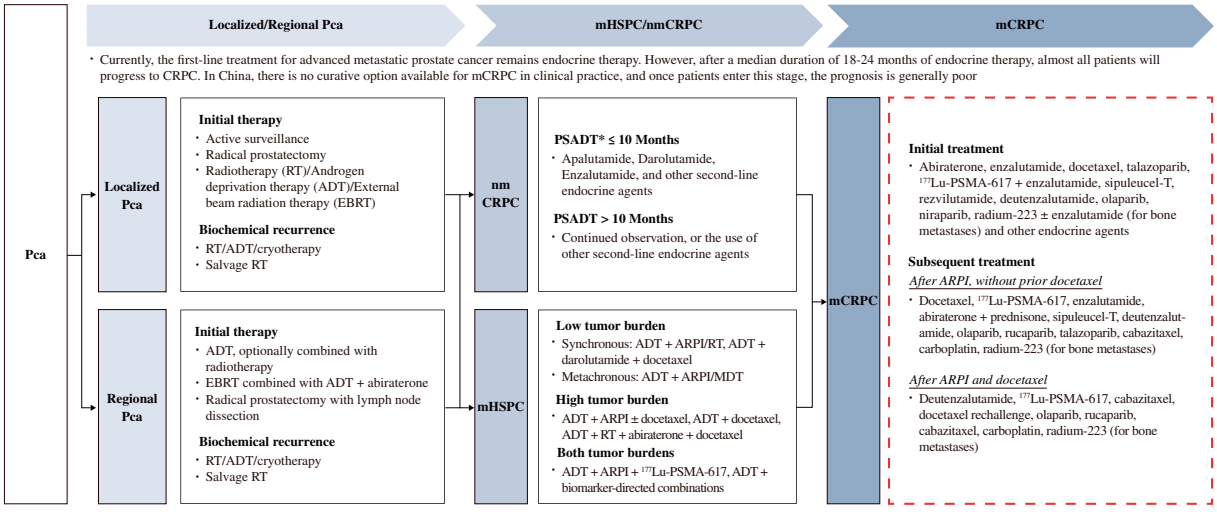
Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Indication
XTR020	**^{18}F-Flotufolastat**	**Our Company**	**ANDA**	**2026-04-15**	**• PSMA-positive prostate cancer before radical prostatectomy • Patients suspected of recurrence based on elevated serum PSA levels**
LNC1001	^{18}F-AIF-PSMA-BCH	Lannacheng Biotechnology	NDA	2026-01-10	PET imaging of PSMA-positive prostate cancer lesions (suspected metastasis or recurrence)
			III	2023-12-04	PSMA-positive prostate cancer before radical prostatectomy
			III	2023-12-04	BCR in prostate cancer after radical prostatectomy or radiation therapy
			I	2022-09-27	• PSMA-positive prostate cancer before radical prostatectomy • Patients suspected of recurrence based on elevated serum PSA levels
TLX591-CDx	^{68}Ga-PSMA-11	Telix/Grand Pharma	NDA	2026-01-19	Prostate cancer PET imaging
			III	2023-03-21	BCR in prostate cancer after radical prostatectomy or radiation therapy
FC-303	^{18}F-Florastamin	Futurechem/HTA Co., Ltd.	III	2023-11-24	PSMA-positive prostate cancer before radical prostatectomy
			III	2024-12-25	
INR101	Undisclosed	Yunhe Pharmaceutical	III	2025-03-05	Recurrent prostate cancer after radical prostatectomy or radiation therapy
			III	2025-03-13	PSMA-positive prostate cancer before radical prostatectomy
			I	2024-05-23	Prostate cancer PET imaging
NY108	^{68}Ga-NYM032	Norroy Bioscience	III	2026-02-28	Prostate cancer PET imaging
N/A	^{68}Ga-P16-093	Five Eleven Pharma	II/III	2021-03-12	Prostate cancer PET imaging
TR2205	^{64}Cu-TR2205	Tongrui Biopharmaceutical	II	2026-08-31	Prostate cancer PET imaging
HRS-1738	Undisclosed	Hengrui Pharmaceutical	I/II	2025-07-01	Prostate cancer PET imaging
N/A	^{68}Ga-PSMA-0057	Ruihe Pharmaceutical	I/II	2025-11-19	Prostate cancer PET imaging
HRS-9815	Undisclosed	Hengrui Pharmaceutical	I	2023-10-09	Advanced prostate cancer

Source: CDE, CIC

Treatment of Prostate Cancer

The standard of care for prostate cancer varies by stage and disease progression. For localized or regional prostate cancer, initial treatments include active surveillance, radical prostatectomy, and radiotherapy often combined with androgen deprivation therapy ("**ADT**"). In cases of biochemical recurrence, salvage radiotherapy, radiotherapy or ADT may be used. For metastatic hormone-sensitive prostate cancer ("**mHSPC**"), low tumor burden is treated with abiraterone and prednisone, while high tumor burden may involve abiraterone plus prednisone or docetaxel with or without prednisone. For selected PSMA-positive patients, ^{177}Lu-PSMA-617 in combination with an ARPI may also be used. Non-metastatic castration-resistant prostate cancer ("**nmCRPC**") is stratified by PSA doubling time ("**PSADT**"); those with PSADT ≤10 months may receive second-generation endocrine agents like apalutamide, darolutamide, or enzalutamide, while longer PSADT supports continued observation or less aggressive options. In mCRPC, treatment progresses through multiple lines: In mCRPC, first-line options include ARPIs, chemotherapy and, for selected patients, ^{177}Lu-PSMA-617 in combination with enzalutamide. Following prior ARPI treatment without prior docetaxel, treatment options include docetaxel, ^{177}Lu-PSMA-617 and other systemic therapies; following both ARPI and docetaxel, subsequent treatment options include ^{177}Lu-PSMA-617, cabazitaxel and other targeted or systemic therapies. Despite available treatments, mCRPC remains incurable and is generally associated with poor prognosis. Despite available treatments, nearly all patients progress to CRPC within 18 to 24 months of endocrine therapy, and in China, curative options for mCRPC remain lacking, with generally poor prognosis at this stage.

Standard of Care in Prostate Cancer



*Note: Prostate-Specific Antigen Doubling Time ("**PSADT**") refers to the time it takes for the level of PSA in the blood to double.*

Source: CSCO 2026, NCCN V6.2026, CIC

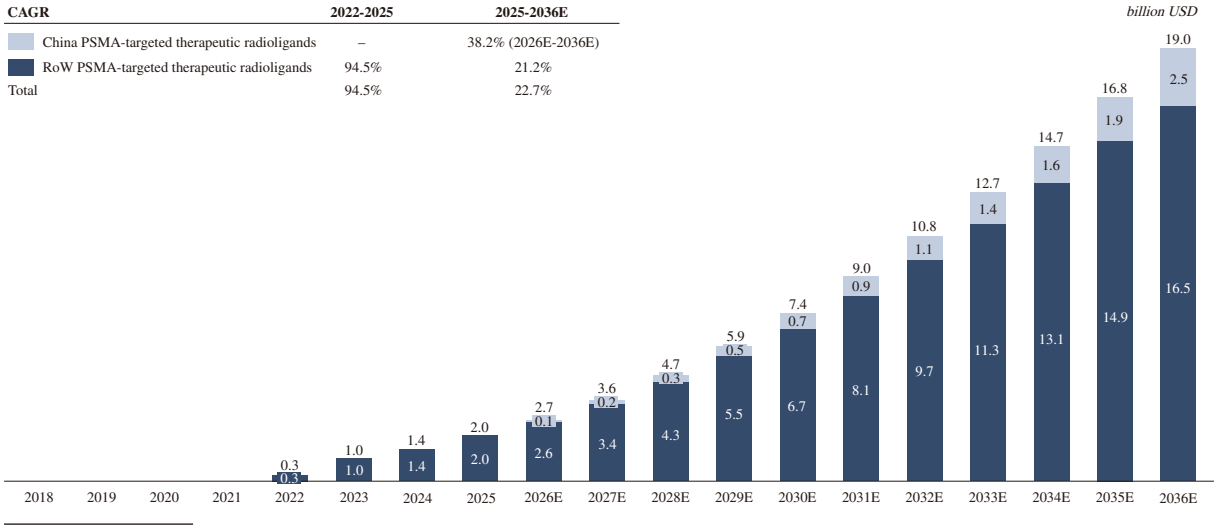
Market Size

Since the approval of Pluvicto® in the U.S. in 2022, the global market for PSMA-targeted therapeutic radioligands has increased from US$0.3 billion in 2022 to US$2.0 billion in 2025. The market size is projected to expand significantly, reaching US$19.0 billion in 2036, with a CAGR of 22.7% from 2025 to 2036.

In China, only one PSMA-targeted therapeutic radioligand, Pluvicto®, had been approved for prostate cancer treatment as of the Latest Practicable Date. With continued expansion of nuclear medicine infrastructure and hospitals with established radiopharmaceutical administration and radionuclide therapy capabilities, following the cancellation of the administrative approval requirement of Class I and Class II permit for the use of radioactive drugs by medical institutions in 2025, and growing clinical demand for precision treatment in prostate cancer, the market in China is expected to grow significantly, from US$100.1 million in 2026 to US$2,548.6 million in 2036, with a CAGR of 38.2%.

Historical and Forecasted Global Market Size of PSMA-targeted Therapeutic Radioligands, 2018-2036E

CAGR	2022-2025	2025-2036E
China PSMA-targeted therapeutic radioligands	–	38.2% (2026E-2036E)
RoW PSMA-targeted therapeutic radioligands	94.5%	21.2%
Total	94.5%	22.7%



Note: The market size is based on net sales adjusted from Wholesale acquisition cost (WAC).

Source: WHO, IARC, NCCN, CSCO, Nature, CDE, FDA, EMA, ClinicalTrials, Annual reports, CIC

Competitive Landscape

As of the Latest Practicable Date, Pluvicto® was the only radioligand therapy approved globally for the treatment of prostate cancer. It is administered intravenously. It was first approved by the FDA in 2022 for adult patients with PSMA-positive mCRPC who have previously received androgen receptor pathway inhibition and taxane-based chemotherapy. Pluvicto® is currently commercially available in the U.S., China, EU, and Japan for the treatment of PSMA-positive mCRPC. Additionally, Pluvicto® is undergoing indication expansion to broaden its therapeutic applications. Since its approval, Pluvicto® has experienced notable sales growth, increasing from US$271 million in 2022 to US$1,994 million in 2025. The drug is expected to further explore opportunities for commercial expansion across treatment lines, geographic regions, and new indications, aiming to establish itself as a key player in the radiopharmaceutical market.

As of the Latest Practicable Date, there were 15 PSMA-targeted therapeutic radioligands under Phase II or later-stage clinical development on a global scale, with ten of them in Phase II or later-stage development in China.

Global Competitive Landscape of PSMA-targeted Therapeutic Radioligands under Phase II or Later-stage Clinical Development*

Candidate	Structure/MoA	Company	Clinical Phase	First Posted Date	Study Location	Indication
PNT2002***	^{177}Lu-PSMA-I&T	Eli Lilly	III	2020-12-01	U.S., others**	mCRPC
N/A	^{177}Lu-PSMA-I&T	Curium	III	2022-01-24	U.S., others**	mCRPC
TLX591	^{177}Lu-rosopatamab tetraxetan	Telix Pharmaceuticals	III	2024-07-25	U.S., others**	mCRPC
AAA817	^{225}Ac-PSMA-617	Novartis	III	2025-03-03	N/A	mCRPC
			II/III	2025-01-17	Others**	mCRPC
HRS-4357	^{177}Lu-HRS-4357	Hengrui pharmaceutical	III	2025-12-23	China	mCRPC
FPI-2265	^{225}Ac-PSMA-I&T	AstraZeneca	III	2026-05-28	U.S., China, others**	mCRPC
NY108	^{177}Lu-NYM032	Norroy Bioscience	III	2026-08-31	China	mCRPC
FC705	N/A	FutureChem	III	2026-10-01	Others**	mCRPC
XTR010	**^{177}Lu-XT033**	**Our Company**	**I/II**	**2023-08-10**	**China**	**mCRPC**
JH002	^{177}Lu-JH020002	Bivision Biomedical Technology	I/II	2023-11-01	China	mCRPC
LNC1011	^{177}Lu-LNC1011	Lannacheng Biotechnology	I/II	2026-02-10	China	mCRPC
INR102	N/A	Yunhe Pharmaceutical	I/II	2025-04-24	China	mCRPC
N/A	^{225}Ac-LNC1011	Lannacheng Biotechnology	I/II	2025-08-12	China	mCRPC
SRT007	^{177}Lu-PSMA-0057	Ruihe Pharmaceutical	I/II	2025-11-19	China	mCRPC
TRC003	^{225}Ac-TR2205	Tongrui Biopharmaceutical	I/II	2026-05-05	China	mCRPC

Notes:

* *The table presents Phase III and later-stage clinical trials registered on ClinicalTrials. gov, as well as Phase II and later-stage clinical trials registered with the CDE. As of the Latest Practicable Date, approximately 32 Phase II or later-stage clinical trials worldwide were evaluating 15 PSMA-targeted radioligand candidates for the treatment of prostate cancer.*

** *Others refer to countries and regions other than China and the U.S.*

*** *Lantheus announced that it would not pursue an NDA or invest further in PNT2002 in the near future.*

Source: CDE, Clinicaltrials, CIC

AD

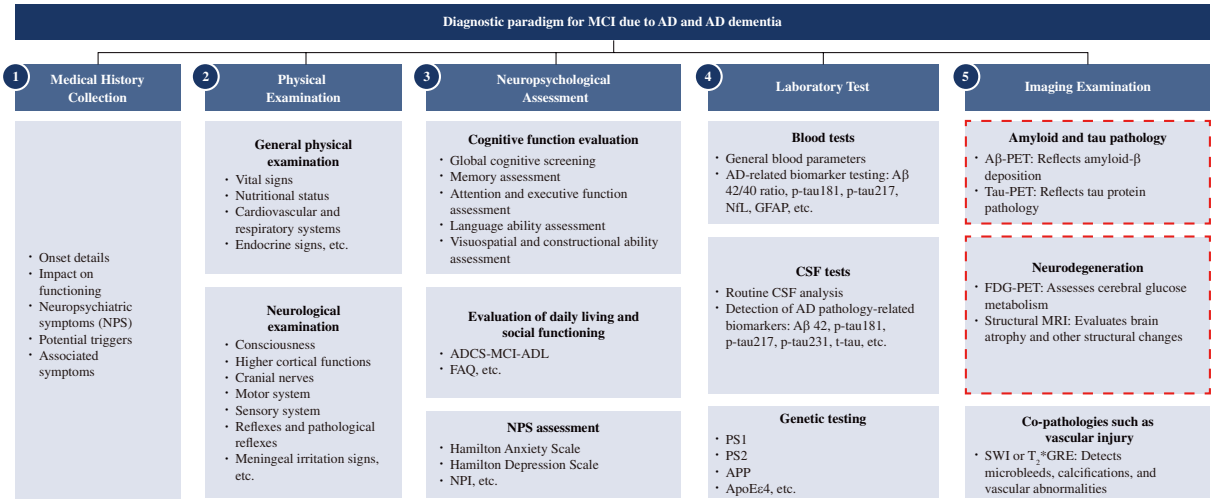
AD is a prevalent neurodegenerative disorder characterized by progressive cognitive decline, memory impairment, and behavioral changes. Its hallmark pathological features include the accumulation of Aβ plaques, tau protein tangles, and neuronal loss. Current treatment strategies primarily aim to manage symptoms and target Aβ and tau pathologies. The clinical progression of AD typically occurs in three stages: (1) preclinical AD, marked by Aβ accumulation and neuronal changes without noticeable symptoms; (2) MCI due to AD, involving measurable cognitive decline while daily functioning remains largely preserved; and (3) dementia due to AD, characterized by significant cognitive and functional impairment, including memory loss, language difficulties, and disorientation, resulting in dependence on caregivers. MCI represents a critical stage for early intervention, with the potential to delay or prevent the onset of dementia.

Epidemiological data indicate that the number of individuals with MCI in China was approximately 39.6 million in 2020 and is expected to increase from 52.6 million in 2025 to 82.2 million in 2036, representing a CAGR of 5.9% from 2020 to 2025 and 4.1% from 2025 to 2036. Similarly, the prevalence of ADOD was 15.5 million in 2020 and is projected to rise from 18.9 million in 2025 to 27.2 million in 2036, reflecting a CAGR of 4.1% from 2020 to 2025 and 3.3% from 2025 to 2036. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. These numbers are expected to grow substantially with the aging population.

Diagnosis of AD

Current diagnosis of AD involves a comprehensive and multidisciplinary assessment approach. This includes medical history collection, such as onset details, impact on functioning, neuropsychiatric symptoms, potential triggers, and associated symptoms, as well as physical and neurological examinations covering vital signs, systemic evaluations, cortical functions, and reflexes. Neuropsychological assessments are central, evaluating global cognition, memory, attention, executive function, language, visuospatial abilities, and daily living and social functioning using tools like AD cooperative study scale for activities of daily living in MCI ("**ADCS-MCI-ADL**") and functional activities questionnaire ("**FAQ**"). Neuropsychiatric symptoms are assessed using scales such as the Hamilton Anxiety and Depression Scales and the neuropsychiatric inventory ("**NPI**"). Laboratory evaluations involve blood tests for general parameters and AD-related biomarkers, cerebrospinal fluid testing for pathological markers, and genetic testing. Imaging assessments include PET scans for Aβ and tau pathology, FDG-PET for brain metabolism, MRI for structural changes, and susceptibility weighted imaging ("**SWI**") or T2-weighted gradient echo ("**T2*GRE**") to detect vascular co-pathologies.

Diagnostic Paradigm for MCI Due to AD and AD Dementia in China



*Abbreviations: ADCS – MCI – ADL = Alzheimer's Disease Cooperative Study Scale for Activities of Daily Living in MCI, FAQ = Functional Activities Questionnaire, NPI = Neuropsychiatric Inventory, SWI = Susceptibility Weighted Imaging, T_2*GRE = T_2* – weighted gradient – echo*

Source: Chinese guideline for the diagnosis and treatment of Alzheimer's disease dementia (2020), 中國阿爾茨海默病癡呆診療指南(2020年版), Chinese Expert Consensus on the Diagnosis and Treatment of Alzheimer's Disease-Related Mild Cognitive Impairment (2024) 阿爾茨海默病源性輕度認知障礙診療中國專家共識(2024), CIC

The treatment principles for AD include early diagnosis, timely intervention, and lifelong management. Therefore, early diagnosis of AD during the MCI stage is critical for effective disease management. Among the major diagnostic approaches – such as cognitive scales and questionnaires, imaging examinations, body fluid analyses, and genetic testing – only PET imaging and lumbar puncture offer both high sensitivity and high diagnostic accuracy for early-stage detection. However, lumbar puncture is invasive and technically challenging to perform. PET imaging, on the other hand, provides high sensitivity and diagnostic precision by visualizing *in vivo* Aβ and tau protein aggregations, the pathological hallmarks of AD. As diagnostic technologies continue to advance, PET imaging and fluid biomarker testing have significantly enhanced early detection capabilities.

Although blood-based biomarkers for AD show great promise for early screening and research, several significant limitations currently hinder their clinical applications: (1) there is a lack of standardization across detection platforms and reagents resulting in inconsistent results; (2) the specificity of biomarkers can be affected by peripheral sources, comorbidities, and physiological factors such as kidney function, age, and metabolic status; and (3) differences across populations and the absence of unified reference standards complicate interpretation and limit broader adoption. Nevertheless, the approval of medical devices utilizing blood-based biomarkers for AD can potentially improve the identification rate of potential patients, thereby driving the growth of the population eligible for PET diagnostics.

Market Size

Following the official launch of 歐韋寧® (or XTR005) in 2025, and also driven by the increasingly severe aging population and the urgent need for AD prevention and treatment, the clinical benefits of early detection and intervention in improving patient outcomes, and continuous advancements in PET imaging technologies and radiotracers, the increasing clinical use of amyloid and tau PET imaging for early diagnosis, differential diagnosis and patient stratification in AD, the growing need to identify patients eligible for emerging disease-modifying therapies, continued improvement in physician and patient awareness of biomarker-based diagnosis, and the continued expansion of PET imaging infrastructure, nuclear medicine departments and hospital-based radiopharmaceutical administration capabilities, following the cancellation in 2025 of the administrative approval requirement of Class I and Class II permit for medical institutions to use radioactive drugs supported by the issuance of clinical guidelines that incorporate biomarker use the market in China is projected to experience significant growth, expanding from RMB2.5 billion in 2031 to RMB9.5 billion in 2036, representing a CAGR of 30.0%.

Competitive Landscape

As of the Latest Practicable Date, there were two pathology-targeted PET tracers (XTR005 and ^{18}F-Florbetapir) approved for the diagnosis of AD in China. XTR005 is a ^{18}F-labeled Aβ-targeted PET tracer approved by the NMPA for marketing in September 2023. As of the Latest Practicable Date, there were six pathology-targeted PET tracers under clinical development in China. With the launch of XTR005 in 2025 and XTR006 advancing to the Phase III clinical stage, the Company is positioned as the most clinically advanced player in the Chinese market targeting both Aβ and tau for AD diagnosis.

Competitive Landscape of Pathology-specific PET Tracers under Clinical Development for Neurodegenerative Diseases in China

Candidate	Structure/MoA	Target	Company	Clinical Phase	First Posted Date	Indication
XTR006	**^{18}F-MK 6240**	**Tau**	**Our Company**	**III**	**2024-11-01**	**AD (PET imaging)**
APN-1607	^{18}F-Florzolotau	Tau	APRINOIA Therapeutics	III	2021-09-22	AD (PET imaging)
N/A	^{18}F-Florbetazine	Aβ	HTA Co., Ltd.	III	2025-07-08	AD (PET imaging)
N/A	^{18}F-Flutemetamol	Aβ	Hengrui pharmaceutical	I	2025-03-03	AD (PET imaging)
N/A	^{18}F-Flortaucipir	Tau	Beijing Xing Pharmaceutical	I	2026-03-31	AD (PET imaging)
ELI-101	^{18}F-Flortaucipir	Tau	Eli Radiopharma	I	2026-04-20	AD (PET imaging)

Source: CDE, CIC

Growth drivers and Future Trends

- ***Aging Population.*** The growing elderly population is driving a significant rise in cases of MCI and AD, leading to an increasing demand for early and accurate diagnostic tools. As life expectancy increases, the number of patients requiring neurodegenerative disease diagnostics is expected to grow steadily.
- ***Early Diagnosis and Prevention Demand.*** With increasing public awareness of neurodegenerative diseases, screening and intervention strategies are shifting to earlier stages. Individuals at risk are now undergoing cognitive assessments and biomarker testing before symptoms become noticeable, highlighting the need for PET imaging to evaluate Aβ and tau accumulation. This proactive approach to intervention is reshaping clinical practices, supporting earlier disease management, and reinforcing the value of radiopharmaceuticals in assessments of preclinical and prodromal stages.
- ***Evolving treatment paradigm.*** The approval and development of targeted therapies, particularly anti-Aβ and anti-tau treatments, are transforming AD treatment strategies. These therapies rely on biomarker-based patient selection and treatment monitoring, significantly increasing the demand for Aβ and tau detections. As more disease-modifying treatments enter clinical use, PET-guided precision medicine is expected to become standard practice, further expanding the radiopharmaceutical market.
- ***Increasing Demand of PET imaging.*** Advancements in PET imaging, along with the introduction of novel radiotracers, are improving the sensitivity and specificity of Aβ and tau detections. Advanced PET assessments are being integrated into clinical trials and real-world settings for both MCI and AD diagnosis, as well as for monitoring treatment responses. Continued refinement of PET imaging techniques, combined with next-generation PET tracers, will further drive the adoption and expansion of radiopharmaceutical applications in managing neurodegenerative diseases.

REPORT COMMISSIONED BY CIC

In connection with the Global Offering, we have engaged CIC to conduct a detailed analysis and prepare an industry report on the radiopharmaceuticals market in China and globally. CIC is an independent global market research and consulting company which was founded in 2014 and is based in Shanghai. Services provided by CIC include market assessments, competitive benchmarking and strategic and market planning for a variety of industries. The contract sum to CIC is RMB850,000 for the preparation of the CIC Report. The payment of such amount was not contingent upon our successful Listing or on the results of the CIC Report. Except for the CIC Report, we did not commission any other industry report in connection with the Global Offering. We have included certain information from the CIC Report in this prospectus because we believe such information facilitates an understanding of the radiopharmaceuticals market for potential investors. CIC prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, CIC contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. CIC believes that the basic assumptions used in preparing the CIC Report, including those used to make future projections, are factual, correct and not misleading. CIC has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. CIC research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

We shall comply with numerous laws, rules and regulations of the People's Republic of China ("**China**", for the purpose of this section, excluding Hong Kong SAR, Macao SAR and Taiwan) that govern our business operations. This section outlines the principal applicable laws, regulations, rules and policies that may materially affect our business operations.

LAWS AND REGULATIONS GOVERNING PHARMACEUTICAL SUPERVISION

1. Major Regulatory Authorities

The pharmaceutical industry in China is primarily regulated by two key authorities: the National Medical Products Administration (the "**NMPA**"), and the National Health Commission (the "**NHC**").

The NMPA serves as China's primary regulatory authority overseeing pharmaceuticals and related industries. Inheriting the drug regulatory functions of its predecessor, the China Food and Drug Administration (the "**CFDA**"), the NMPA is responsible for drafting draft laws and regulations on drugs and medical devices, formulating policy frameworks and development plans, issuing departmental rules, organizing the compilation and publication of national standards (including the National Pharmacopoeia) and other standards for drugs and medical devices, establishing classification management systems, and supervising their implementation. Its subordinate Center for Drug Evaluation (the "**CDE**") is primarily responsible for conducting technical reviews of drug registration applications and overseeing the related drug registration process.

The NHC is China's primary national regulatory authority overseeing public health and family planning management. The NHC is primarily responsible for formulating national health policies; supervising and standardizing public health, medical services, and health emergency systems; coordinating healthcare system reforms; organizing the formulation of national drug policies and the essential medicines system; conducting drug utilization monitoring, clinical comprehensive evaluations, and early warning systems for drug shortages; proposing the pricing policy of national essential medicines; and regulating medical operations as well as healthcare professionals' practices.

2. Regulations Governing Drug Research & Development, Registration, Production and Marketing Activities

(1) Regulations governing drug research and development

(a) Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law of the People's Republic of China (the "**Drug Administration Law**"), promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in September 1984, most recently revised on August 26, 2019, and effective as of December 1, 2019, China implements the marketing authorization holder (MAH) system for drug regulation. Pursuant to the Drug Administration Law and the Measures for the Administration of Drug Registration (issued by the State Administration for Market Regulation (the "**SAMR**") on February 28, 2005, and revised on January 22, 2020, with effect from July 1, 2020), an MAH is defined as any enterprise or drug research institution that holds a valid drug registration certificate.

MAHs may either produce drugs themselves or delegate production to licensed pharmaceutical manufacturers. Similarly, MAHs may either directly distribute drugs covered by its registration certificate, or authorize licensed pharmaceutical distributors to handle the commercialization.

MAHs shall establish a pharmaceutical quality system, and designate qualified personnel with independent responsibility for drug quality management. MAHs shall conduct periodic audits of the quality management systems maintained by contracted drug manufacturers and distributors, ensuring their continued compliance with quality assurance and control requirements.

(b) New drug research & development

The Drug Administration Law, together with the Implementing Regulations of the Drug Administration Law of the People's Republic of China (the "**Implementing Regulations of the Drug Administration Law**"), promulgated by the State Council in August 2002, most recently revised on January 16, 2026, effective May 15, 2026, establish the legal framework governing drug research and development, production, sale, use, supervision, and administration within China.

Pursuant to the Drug Administration Law and the Implementing Regulations of the Drug Administration Law, China encourages the research and innovation of new drugs, and protects the lawful rights and interests in new drug research and development. The initiation of clinical trials for any new drug requires prior approval from the NMPA, contingent upon the truthful submission of research protocols, quality specifications, pharmacological and toxicological test results, and other relevant data, documentation and samples by the drug developer and trial sponsor.

(c) Nonclinical research

Drug nonclinical safety evaluation studies intended for marketing authorization applications shall comply with China's Good Laboratory Practice (the "**GLP**") for Drug Nonclinical Studies, originally issued by the CFDA in August 2003 and revised in July 2017.

The Measures for the Administration of Certification of Good Laboratory Practice for Non-Clinical Laboratory Studies, issued by the CFDA in April 2007, most recently revised on January 19, 2023 and effective as of July 1, 2023, mandate that all institutions conducting nonclinical safety evaluation studies for drug registration purposes shall obtain GLP certification.

The "Technical Guidelines for Non-clinical Studies of Radiotherapeutic Drugs" (《放射性治療藥物非臨床研究技術指導原則》) are generally applicable to administered radiolabeled therapeutic drugs and adhere to the principles of being "scientific, reasonable, and case-by-case analysis". The said guidelines, as the systematic framework, require the non-clinical studies of radiotherapeutic drugs to cover pharmacodynamics ("**PD**"), PK, toxicology, internal radiation dose estimation, and radiation safety assessment. Pursuant to the "Administrative Measures for Drug Registration" (《藥品註冊管理辦法》), the standard review period for a drug marketing authorization application is 200 business days. Upon acceptance of an application, the CDE shall generally issue supplemental information in a single batch, specifying all required items and the review period shall be extended.

(d) Animal studies

The State Science and Technology Commission (now the "**Ministry of Science and Technology**" or the "**MOST**") issued the Regulations for the Administration of Affairs Concerning Experimental Animals on November 14, 1988, which were subsequently revised by the State Council on March 1, 2017. The Regulations for the Administration of Affairs Concerning Experimental Animals establish a national quality supervision and certification system.

Pursuant to both the Administrative Measures on Good Practice of Experimental Animals (jointly issued by the MOST and the State Bureau of Quality and Technical Supervision on December 11, 1997) and the Interim Measures for the Administration of Laboratory Animal Licenses (issued by the MOST and other regulators on December 5, 2001, effective January 1, 2002), any organization or individual utilizing laboratory animals and related products for scientific research and experiments shall obtain a License for the Use of Experimental Animals prior to initiating animal studies.

(e) Clinical trials

Pursuant to the Decision on Adjusting the Approval Procedures for Certain Drug Administrative Approval Items (issued by the CFDA on March 17, 2017), the CDE has been authorized to issue clinical trial approvals on behalf of the CFDA effective as of May 1, 2017.

Pursuant to the Measures for the Administration of Drug Registration, clinical trials are required for new drug registration applications. Such trials shall be categorized into Phase I clinical trials, Phase II clinical trials, Phase III clinical trials, Phase IV clinical trials, as well as bioequivalence trials. Pursuant to the Measures for the Administration of Drug Registration, an applicant may submit a clinical trial application upon completion of supporting pharmaceutical, pharmacological, and toxicological studies, accompanied by all required documentation as specified in the application dossiers. The CDE shall organize pharmaceutical, medical and other technical personnel to review the accepted applications for drug clinical trials. Drug clinical trials shall be conducted at duly accredited clinical trial institutions that meet all applicable regulatory requirements and have completed the mandatory filing procedures. No drug clinical trial may be conducted without prior review and approval by an ethics committee.

Clinical trials shall be conducted in compliance with the Good Clinical Practice for Drug Trials (the "**GCP**") jointly issued by the NMPA and the NHC on April 23, 2020, with effect from July 1, 2020.

The GCP establishes quality standards governing all stages of clinical trials, encompassing protocol design, trial conduct, monitoring, auditing, recording, analysis, summarization, and reporting. The manufacture of investigational medicinal products (IMPs) shall comply with GCP quality management requirements. The use of IMPs shall strictly adhere to the approved clinical trial protocol.

In accordance with the "Opinions of the General Office of the State Council on Conducting Consistency Evaluation of the Quality and Efficacy of Generic Drugs" (《國務院辦公廳關於開展仿製藥質量和療效一致性評價的意見》), the "Basic Technical Requirements for Chemical Injections (Trial)" (《化學藥品注射劑基本技術要求(試行)》) and the "Clinical Technical Requirement for Drugs Approved Overseas but Not Yet Approved in China" (《境外已上市境內未上市藥品臨床技術要求》), altogether, the Generic Quality and Efficacy Consistency Evaluation ("**GQEC**") Framework for injectable drugs marketed overseas but not in China and for which systematic clinical research and evaluation data are available, the primary objective of clinical research is to verify whether the safety and efficacy data in the Chinese population are consistent with overseas clinical study findings, and whether the indications and doses approved abroad remain applicable in China. Generally, human pharmacokinetic ("**PK**") studies and necessary clinical trials should be conducted to support the evaluation of safety and efficacy of generic drugs for use in Chinese patients, while certain human clinical trials might be significantly reduced or waived.

(f) Sampling, collection and record-filing of human genetic resources

The Interim Measures for the Management of Human Genetic Resources were jointly issued on June 10, 1998 by the MOST and the Ministry of Health – the latter being abolished under the 2013 State Council institutional reform, with its functions successively transferred to the National Health and Family Planning Commission (NHFPC) and ultimately to the NHC. These Measures regulate all activities involving Chinese human genetic resources, including sampling, collection, research, development, trading, export, and cross-border transfer.

The Regulations on the Management of Human Genetic Resources of the People's Republic of China (the "**HGR Regulations**"), promulgated by the State Council in May 2019, revised on March 10, 2024 and effective as of May 1, 2024, supersede the Interim Measures for the Management of Human Genetic Resources. These Regulations establish comprehensive governance framework for the collection, preservation, utilization, and outbound transfer of human genetic resources in China. The Implementation Rules for the Administrative Regulation on Human Genetic Resources, issued by the MOST on May 26, 2023, effective July 1, 2023, specify detailed requirements governing the sampling, preservation, utilization, and outbound transfer of human genetic resources in China.

(g) Post-market study

Pursuant to the "Technical Guidelines for Clinical Evaluation of In Vivo Radiotherapeutic Drugs" (《放射性體內治療藥物臨床評價技術指導原則》), radiation dose assessment shall be carried out throughout stages of radiotherapeutic drug development. XTR008 has collected comprehensive radiation dosimetry and PK data in its Phase III clinical study, thereby meeting the stage-specific requirements of the guidelines. While the possibility cannot be completely ruled out that the CDE may, unpredictably and beyond the aforementioned provisions, require post-market continued monitoring of long-term radiation dosimetry information, such a scenario is anticipated to be remote.

(2) Drug review and registration

Pursuant to the Measures for the Administration of Drug Registration, the applicant shall submit an application for drug marketing authorization upon completing all supporting studies (including pharmaceutical, pharmacological, toxicological, and clinical trial research), establishing quality standards, validating commercial-scale manufacturing processes, and preparing for regulatory inspection and testing. The application dossier shall be submitted in compliance with the prescribed documentation requirements. The CDE conducts a comprehensive review of the drug's safety, efficacy, and quality controllability based on the drug registration dossier, inspection findings, and testing results. If the comprehensive review conclusion is favorable, the drug shall be approved for marketing, and a drug registration certificate shall be issued.

For generic drugs, *in vitro* diagnostic reagents regulated as drugs, or other eligible cases where the applicant, after assessment, determines that drug clinical trials are unnecessary or impracticable and the conditions for clinical trial waiver are met, the applicant may directly submit an application for drug marketing authorization. The technical guidelines and relevant specific requirements for clinical trial waivers shall be developed and published by the CDE.

To facilitate the implementation of the Measures for the Administration of Drug Registration, the NMPA has formulated the Requirements for Registration Classification and Application Dossiers of Chemical Drugs. According to these requirements, the registration of chemical drugs is classified into the following five classes: Class 1 refers to the innovative drugs not yet marketed in China or overseas; Class 2 refers to the modified new drugs that have not been marketed in China or overseas, comprising Class 2.1

(drugs that contain an optical isomer of known active ingredients obtained by resolution or synthesis, or esterification of known active ingredients, or salification of known active ingredients, or change in acid group, basic group, or metallic element of known active ingredients of salt, or formation of other non-covalent bond derivatives, and have significant clinical advantages), Class 2.2 (drugs that contain known active ingredients with new dosage form, new formulation process or new route of administration, and have significant clinical advantages), Class 2.3 (new compound preparations that contain known active ingredients and have significant clinical advantages) and Class 2.4 (drugs for new indications that contain known active ingredients); Class 3 refers to the drugs manufactured by domestic applicants by imitating the original drugs that have been marketed overseas but not yet in China; Class 4 refers to the drugs manufactured by domestic applicants by imitating the original drugs that have been marketed in China; Class 5 refers to the drugs that have been marketed overseas and are under application for being marketed in China, comprising Class 5.1, which refers to originator drugs and modified drugs with distinct clinical advantages, and Class 5.2, which refers to generic drugs.

(3) Drug manufacturing provisions

(a) Drug production license

Pursuant to the Drug Administration Law, an MAH shall obtain a Drug Production License for in-house manufacturing, or may commission qualified drug manufacturers for outsourced production. Pursuant to the Measures for the Supervision and Administration of Drug Production issued by the CFDA on August 5, 2004 and most recently revised on January 22, 2020, with effect from July 1, 2020, a Drug Production License shall be valid for five years. The license holder shall apply for renewal to the original licensing authority – the provincial-level department of the NMPA at least six months prior to the expiration date. The classification code is a string of English letters used to categorise and classify the production scope under the license. According to Article 77 of the Measures for the Supervision and Administration of Drug Production, the classification code refers to a string of English letters used to statistically categorize the manufacturing scope within a license. Uppercase letters are used to classify marketing authorization holders (MAHs) and product types, including: A representing an MAH that manufactures drugs itself; B representing an MAH that entrusts manufacturing to others; C representing a drug manufacturing enterprise that accepts entrusted manufacturing; and D representing a manufacturer of active pharmaceutical ingredients. Lowercase letters are used to distinguish preparation attributes: h representing chemical drugs; z representing traditional Chinese patent medicines; s representing biological products; d representing *in vitro* diagnostic reagents managed as drugs; y representing traditional Chinese medicine decoction pieces; q representing medical gases; t representing special drugs; and x representing others.

According to the Announcement No. 132 issued by the NMPA in October 2023, the Announcement on Strengthening the Supervision and Administration of Entrusted Manufacturing by Marketing Authorization Holders (No. 132 of 2023), to further ensure that MAHs assume primary responsibility for the quality and safety of drugs manufactured under entrusted arrangements, and to safeguard quality and safety throughout the entire drug lifecycle, this Announcement hereby sets out matters concerning the strengthening of the supervision and administration of entrusted manufacturing by MAHs, including strict licensing administration of entrusted manufacturing, enhanced quality management of entrusted manufacturing, strengthened supervision and administration of entrusted manufacturing, and other matters.

(b) Drug production standards

The Good Manufacturing Practice for Pharmaceutical Products (the "**GMP**"), issued by the Ministry of Health in March 1988 and most recently revised in January 2011 with effect from March 1, 2011, establishes comprehensive regulatory standards governing all aspects of drug manufacturing. These standards cover organizational structure, personnel qualifications, facility requirements, equipment standards, personnel hygiene, production and quality control processes, management of starting and packaging materials, maintenance of sales records, and complaint handling procedures.

In November 2019, the NMPA issued the Announcement on Implementing the Drug Administration Law of the People's Republic of China, which abolished the GMP certification system, effective December 1, 2019. Thereafter, drug regulatory authorities ceased accepting GMP certification applications and issuing GMP certificates. Pursuant to the Drug Administration Law, drug manufacturers shall continue to comply with GMP requirements by establishing and maintaining a comprehensive GMP system, to ensure full compliance with statutory requirements throughout the entire production process.

(4) Drug operation provisions

Pursuant to the Drug Administration Law, entities engaged in pharmaceutical wholesale activities shall obtain prior approval from the drug regulatory authority of the provincial-level governments (including autonomous regions and directly-administered municipalities) and acquire a Pharmaceutical Trading License. Entities engaged in pharmaceutical retail activities shall obtain prior approval from the drug regulatory authority of the local people's government at or above the county level and acquire a Pharmaceutical Trading License. No entity shall conduct any pharmaceutical distribution activities, including wholesale or retail operations, without obtaining a valid Pharmaceutical Trading License. No Pharmaceutical Trading License shall be valid beyond its specified period without official review and renewal, and each license shall clearly state its authorized business scope. MAHs may either directly distribute drugs covered by its registration certificate, or authorize licensed pharmaceutical distributors to handle the commercialization. MAHs engaging in drug retail activities shall obtain a Pharmaceutical Trading License. Any MAH engaging in direct drug distribution shall comply with all applicable statutory requirements. For outsourced distribution activities, the MAH shall contract exclusively with licensed pharmaceutical distributors.

Pursuant to the Measures for the Quality Supervision of Drug Distribution and Use issued by the SAMR on September 27, 2023, and effective as of January 1, 2024, a Drug Operation License shall be valid for five years. Holders of a Pharmaceutical Trading License shall apply for renewal to the original licensing authority within the period between six months and two months prior to the expiration of the license's validity period.

3. Other laws and regulations on the pharmaceutical industry

According to the Price Law of the People's Republic of China, promulgated by the SCNPC on December 29, 1997, and implemented on May 1, 1998, a market-regulated price refers to a price independently set by operators and formed through market competition. A government-guided price refers to a price set by operators under the guidance of the pricing authorities or other relevant departments of the government in accordance with this law, based on the prescribed pricing authority and scope, which stipulates the benchmark price and its floating range. When selling or purchasing goods and providing services, operators shall clearly mark the prices in accordance with the regulations of the government pricing authorities.

Under the Drug Administration Law, for drugs subject to market-regulated pricing, marketing authorization holders, drug manufacturers, drug distributors, and medical institutions shall set prices in accordance with the principles of fairness, reasonableness, good faith, and value-for-money to provide patients with reasonably priced drugs. Marketing authorization holders, drug manufacturers, drug distributors, and medical institutions shall comply with the drug pricing management regulations issued by the drug pricing authorities under the State Council.

According to the Opinions on Strengthening Current Drug Price Management, issued by the National Healthcare Security Administration on November 26, 2019, and implemented on the same day, the general direction of market-regulated drug pricing shall be upheld.

LAWS AND REGULATIONS GOVERNING RADIOPHARMACEUTICALS

1. Major Regulatory Authorities

In addition to the pharmaceutical regulatory authorities mentioned earlier, our operations are also subject to oversight by environmental protection agencies, as detailed below:

The Ministry of Ecology and Environment of the People's Republic of China (the "**Ministry of Ecology and Environment**") is primarily responsible for the supervision and administration of nuclear and radiation safety. The Ministry of Ecology and Environment retains the designation of the National Nuclear Safety Administration (the "**NNSA**"). As the State Council's regulatory authority for nuclear and radiation safety, the NNSA oversees nuclear and radiation safety supervision, formulates relevant policies, plans, and standards, leads nuclear safety coordination mechanisms, participates in nuclear accident emergency response, and manages radiological environmental incident preparedness. The NNSA supervises and ensures the safety of nuclear facilities and radioactive sources, including pollution prevention in the operation of nuclear facilities, application of nuclear technologies, electromagnetic radiation activities, and the exploitation of mineral resources associated with radioactivity. The NNSA exercises regulatory oversight over nuclear material control, as well as the design, manufacture, installation and non-destructive testing of civil nuclear safety equipment.

2. Manufacturing and Marketing of Radiopharmaceuticals

The Measures for the Administration of Radioactive Pharmaceuticals, promulgated by the State Council on January 13, 1989, revised on December 6, 2024, and effective as of January 20, 2025, require that enterprises producing or distributing radioactive pharmaceuticals shall comply with the Drug Administration Law, adhere to national radioisotope safety and protection standards, and obtain approval for environmental impact assessment documentation. To establish a radiopharmaceutical production enterprise, approval shall first be obtained from both the competent department of national defense science and technology industry and the drug regulatory authority of the relevant province, autonomous region, or municipality directly under the Central Government. Upon approval, the local drug regulatory authority shall issue the License for the Production Enterprise of Radioactive Drugs. To establish a radiopharmaceutical distribution enterprise, the drug regulatory authority of the relevant province, autonomous region, or municipality directly under the Central Government shall conduct a review and seek the opinion of the local competent department of national defense science and technology industry. Upon approval, the local drug regulatory authority shall issue the License for the Business Enterprise of Radioactive Drugs. No enterprise shall produce or distribute radiopharmaceuticals without obtaining the required license.

The License for the Production Enterprise of Radioactive Drugs and the Radiopharmaceutical Distribution Enterprise License shall be valid for five years. Enterprises engaged in radiopharmaceutical production or distribution shall submit a renewal application to the original drug regulatory authority within six months prior to the expiration date.

The Guidelines for Radiopharmaceutical Production Inspection (Trial), issued by the Special Drugs Inspection Center of the NMPA on December 16, 2024, and effective as of March 1, 2025, specify inspection requirements for radiopharmaceutical manufacturing processes. These include the legal basis for inspections, as well as key inspection elements covering facility and equipment standards, production management, quality control, and quality assurance systems.

3. Use of Radiopharmaceuticals

Pursuant to the Measures for the Quality Supervision of Drug Distribution and Use issued by the SAMR on September 27, 2023, and effective as of January 1, 2024, MAHs and drug distribution enterprises shall enhance management of procurement and sales personnel; provide training on applicable laws, regulations, technical standards, operational norms, and specialized knowledge; and assume legal liability for all drug distribution activities.

4. Transport of Radioactive Articles

According to the provisions of the Measures for the Control of Radioactive Drugs, the transportation of radioactive drugs shall be implemented in accordance with the relevant regulations formulated by national transportation, postal and other departments. It is strictly forbidden for any entity or individual to carry radioactive medicine on public transportation.

According to the Regulation on the Administration of Transport Safety of Radioactive Articles issued by the State Council on September 14, 2009, and effective as of January 1, 2010, entities involved in the production, sale, use, or disposal of radioactive articles may apply for the qualification of non-commercial road transport of hazardous goods from the road transport administration authorities of the people's governments at the municipal level of the district in which it is located for transportation of its radioactive articles, in accordance with the Regulation of the People's Republic of China on Road Transport. The transport qualification stipulated by the State shall be obtained for carriage of radioactive articles. The qualification management of carriers shall be implemented in accordance with the relevant laws, administrative regulations and the provisions of the competent departments of transportation, railways, civil aviation and posts under the State Council.

According to the Regulations on the Administration of Road Transport of Radioactive Materials issued by the Ministry of Transport on November 10, 2023 and implemented on the same day, entities applying for road transport of radioactive articles shall have dedicated vehicles and equipment that meet the requirements, qualified personnel, and a sound safety production management system. Entities that produce, sell, use or dispose of radioactive articles may use their own special vehicles to engage in non-commercial road transport of radioactive articles for their own use if they have valid certificates of approval to produce, sell, use or dispose of radioactive articles issued by the relevant authorities according

to the laws; radioactive article transport containers that meet national requirements; professional and technical personnel with knowledge of radiation prevention and safety protection; drivers, special vehicles, equipment and production safety and management systems that meet the requirements of the Regulations on the Administration of Road Transport of Radioactive Materials.

According to the Procedures for the Air Transport of Radioactive Materials issued by the Civil Aviation Administration of China in April 2024, carriers accepting radioactive materials for air transport must hold a dangerous goods air transport license issued by the regional civil aviation administration. Shippers are responsible for the nuclear and radiation safety and emergency response of radioactive materials in the transportation, ensure the legality of the items to be shipped, and complete all required administrative approval procedures in accordance with the law.

5. Legal Requirements for Isotopes, Radioactive Sources and Radioactive Radiation Devices

(1) Radiation Safety Permit

According to the Law of the People's Republic of China on Prevention and Control of Radioactive Pollution promulgated by the Standing Committee of the National People's Congress on June 28, 2003, and implemented on October 1, 2003, entities producing, selling, or using radioisotopes and radiation devices shall apply to obtain a permit and go through the registration procedures in accordance with the relevant provisions of the State Council on prevention of radioactivity from the radioisotopes and radiation devices. An entity transferring or importing radioisotope and radiation devices or an entity equipped with radioisotope instruments shall go through the relevant formalities in accordance with the relevant provisions of the State Council on prevention of radioactivity from the radioisotope and radiation devices.

According to the Regulations on the Safety and Protection of Radioactive Isotopes and Radiation Devices issued by the State Council on September 14, 2005, last revised on March 2, 2019, and effective on the same day, entities that manufacture, sell, or use radioisotopes and radiation devices shall obtain a permit. The validity period of the permit is 5 years. If the validity period of a permit needs to be renewed upon expiry, the entity holding the permit shall, 30 days prior to the expiry of such permit, submit an application for renewal to the original permit-issuing authority.

According to the Measures for Administration of the Safety Permit of Radioisotope and Radiation Devices issued by the Ministry of Environmental Protection (abolished during the 2018 State Council institutional reform, with its functions taken over by the Ministry of Ecology and Environment) on January 18, 2006, last revised on January 4, 2021, and effective on the same day, entities that manufacture, sell, or use radioisotopes and radiation devices in China shall obtain a radiation safety permit according to the laws.

(2) Transfer and assignment of radioisotopes

The Regulations on the Safety and Protection of Radioactive Isotopes and Radiation Devices stipulate that when transferring radioisotopes, the transferee shall report each transfer to the competent provincial-level environmental protection department for review and approval.

LEGAL PROVISIONS ON THE COMPANY LAW AND FOREIGN INVESTMENT

The establishment, operation, and management of enterprises in China are governed by the Company Law of the People's Republic of China (the "**Company Law**"), enacted by the SCNPC in December 1993, and subsequently revised in December 1999, August 2004, October 2005, December 2013, October 2018, and December 2023. The latest revised Company Law, which took effect on July 1, 2024, primarily introduces revisions to refine the company formation and exit mechanisms, optimize corporate governance structures, enhance the capital contribution system, strengthen the liabilities of controlling shareholders and management personnel, and emphasize corporate social responsibilities.

The National People's Congress (the "**NPC**") promulgated the Foreign Investment Law of the People's Republic of China (the "**Foreign Investment Law**") in March 2019. The Law came into effect on January 1, 2020. Thereafter, the Foreign Investment Law has served as the fundamental legislation governing foreign investors (including foreign individuals, enterprises, or other organizations) in making direct or indirect investments in China.

In December 2019, the State Council promulgated the Implementing Regulations of the Foreign Investment Law of the People's Republic of China (the "**FIL Implementing Regulations**"), which took effect in January 2020. The FIL Implementing Regulations further specify that the State encourages and facilitates foreign investment, safeguards the lawful rights and interests of foreign investors, regulates foreign investment administration, continuously improves the foreign investment environment, and promotes higher-standard opening-up.

China applies a pre-establishment national treatment plus negative list management system for foreign investment. Pre-establishment national treatment means that foreign investors and their investments shall be accorded treatment no less favorable than that accorded to domestic investors and their investments during the investment establishment phase. The negative list refers to the special administrative measures for market access imposed by the State on foreign investment in specific sectors. Foreign investments not falling within the negative list shall receive national treatment.

REGULATIONS ON ENVIRONMENTAL PROTECTION AND SAFETY

1. Environmental Protection

The Environmental Protection Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress on December 26, 1989, and last amended on April 24, 2014, and implemented on January 1, 2015, sets out the regulatory framework and outlines the powers and responsibilities of environmental protection regulatory agencies.

2. Environmental Impact Assessment

In accordance with the Regulations on the Environmental Protection Management of Construction Projects, promulgated by the State Council on November 29, 1998, revised on July 16, 2017, and effective on October 1, 2017, where a construction project is likely to have a significant impact on the environment, an environmental impact report shall be prepared to conduct a comprehensive and detailed assessment of the pollution and environmental impact of the construction project; where a construction project is likely to have a minor impact on the environment, an environmental impact report form shall be compiled to analyze or specially evaluate the pollution and environmental impact of the construction project; where a construction project has a minimal impact on the environment and does not require environmental impact assessment, an environmental impact registration form shall be completed.

3. Discharge Permit

The Regulations on the Administration of Pollutant Discharge Permits issued by the Ministry of Ecology and Environment on April 1, 2024, and implemented on July 1, 2024, stipulate that enterprises, public institutions and other producers and operators that are subject to the administration of discharge permit (the "**discharge units**") shall apply for and obtain the discharge permit according to the laws, and discharge pollutants in compliance with the requirements of the discharge permit; those who have not obtained the discharge permit shall not discharge pollutants; and enterprises, public institutions and other producers and operators who are required to fill out pollutant discharge registration forms (the "**pollutant discharge registration units**") according to the laws shall register their pollutant discharge information on the national pollutant discharge permit management information platform.

4. Inspection and Acceptance of Environmental Protection Facilities

The Regulations on the Environmental Protection Management of Construction Projects stipulate that upon completion of construction projects for which an environmental impact report or environmental impact report form has been formulated, the construction entity shall, pursuant to the standards and procedures stipulated by the competent administrative department of environmental protection under the State Council, conduct an inspection and acceptance of the environmental protection facilities and formulate the acceptance report. If the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

5. Hazardous Chemicals

In accordance with the Regulations on the Security Management of Hazardous Chemicals, promulgated by the State Council on January 26, 2002, and last amended and effective on December 7, 2013, the State implements a registration system for hazardous chemicals. Manufacturers and importers of hazardous chemicals must apply for registration of their hazardous chemicals with the authority responsible for hazardous chemical registration under the State Council's production safety supervision and administration department.

The State Council promulgated the Regulation on the Administration of Precursor Chemicals on August 26, 2005 and last amended and effective on September 18, 2018, adopting the classified administration and a licensing system for the production, operation, purchase, transportation, and import and export of precursor chemicals. The enterprise that purchases any precursor chemicals in Category II and III shall report the variety and quantity in demand to the local competent public security authority for filing in advance.

In accordance with the provisions of the Regulations on the Administration of Public Security for Explosive Precursor Chemicals issued by the Ministry of Public Security on July 6, 2019 and implemented on August 10, 2019, entities shall, within five days after selling or purchasing explosive hazardous chemicals, report the variety, quantity, and flow direction of the explosive hazardous chemicals sold or purchased through the explosive hazardous chemical information system to the local county-level public security authority for filing.

6. Safe production

According to the Production Safety Law of the People's Republic of China, promulgated by the Standing Committee of the National People's Congress on June 29, 2002, last amended on June 10, 2021, and implemented as of September 1, 2021, production and business operation entities shall have the conditions for production safety as prescribed by this law and other relevant laws, administrative regulations, and national or industrial standards. Those who do not have safe production conditions are not allowed to engage in production and business activities.

LAWS AND REGULATIONS IN RELATION TO PRODUCT LIABILITY AND ADVERTISING

1. Product liability

According to the Product Quality Law of the People's Republic of China, which was promulgated by the Standing Committee of the National People's Congress on February 22, 1993, and last amended and implemented on December 29, 2018, if a product sold has one of the following conditions, the seller shall be responsible for repair, replacement or refund. If the consumer suffers losses due to the purchase of the product, the seller shall compensate for the losses: (1) the product does not have the essential properties that it should have without prior clear indication; (2) the product does not meet the quality stated on the product or its packaging; or (3) the product does not match the quality indicated by the product description or physical sample.

According to the Civil Code of the People's Republic of China (the "**Civil Code**") promulgated by the National People's Congress on May 28, 2020 and effective since January 1, 2021, if a patient suffers damage due to deficiencies in a pharmaceutical product, the patient may seek compensation from the Holder of Marketing Authorization for the pharmaceutical product or from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder.

2. Advertising

According to the Advertising Law of the People's Republic of China (the "**Advertising Law**"), promulgated by the Standing Committee of the National People's Congress on October 27, 1994, and last amended and effective on April 29, 2021, advertisements shall not contain false content and shall not deceive or mislead consumers. Advertisements for medicines may be released through radio, film, television, newspapers, periodicals, or other means only after being reviewed and approved by the relevant authorities according to the laws.

LAWS AND REGULATIONS RELATED TO LABOR AND EMPLOYMENT

According to the Labor Law of the People's Republic of China, which was promulgated by the Standing Committee of the National People's Congress on January 1, 1995 and amended on December 29, 2018, and the Labor Contract Law of the People's Republic of China, which was promulgated on January 1, 2008 and amended on December 28, 2012, an employer and employee who have established a labor relationship must sign a labor contract. The labor contract must be in writing, and the wages paid must not be lower than the local minimum wage standard. Employers shall establish and improve labor rules and regulations according to the laws to ensure that workers can enjoy labor rights and perform labor obligations. The employer and the employee shall fulfill their respective obligations in accordance with the labor contract.

According to the Social Insurance Law of the People's Republic of China, which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010, and amended and implemented on December 29, 2018, and the Regulations on the Administration of Housing Provident Funds, which was promulgated by the State Council on April 3, 1999, and amended on March 24, 2019, employers must pay a certain amount of social insurance funds (including basic pension insurance funds, unemployment insurance funds, basic medical insurance funds, work injury insurance funds, and maternity insurance funds) and housing provident funds on behalf of their employees.

Pursuant to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance funds need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance funds in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the People's Republic of China, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance funds in accordance with the law and requests the employee to return the compensation already paid for the social insurance funds, the people's court shall support such requests in accordance with the law.

REGULATIONS RELATING TO OUTBOUND INVESTMENTS

Pursuant to the Measures for the Administration of Outbound Investment issued by the Ministry of Commerce on March 16, 2009, modified on September 6, 2014, and implemented on October 6, 2014, the Ministry of Commerce and the provincial competent authorities of commerce shall subject the outbound investments of enterprises to filing or approval management, depending on the actual circumstances of such investments.

Pursuant to the Administrative Measures for the Outbound Investments of Enterprises issued by the NDRC on December 26, 2017 and effective from March 1, 2018, PRC enterprises (the "**Investor**") intending to make outbound investments shall go through the formalities, such as approval or filing, for the outbound investment project (the "**Project**"), report relevant information, and cooperate in the supervisory inspections.

According to the Foreign Exchange Administration Regulations and the Provisions on the Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions issued by the SAFE on July 13, 2009 and implemented as of August 1, 2009, domestic institutions making direct investments overseas shall register in accordance with the regulations of the foreign exchange administration department under the State Council.

LAWS AND REGULATIONS ON COMMERCIAL BRIBERY AND ANTI-UNFAIR COMPETITION

1. Commercial bribery in the pharmaceutical industry

According to the Provisions on the Establishment of Commercial Bribery Records in the Purchase and Sale of Medicines, issued by the National Health and Family Planning Commission (which was abolished in March 2018, with its functions taken over by the National Health Commission) in January 2007 and revised in December 2013, if a pharmaceutical, medical device or medical consumables manufacturer or trading company, or its agent or personal representative, offers money, property or other benefits to the staff of a healthcare institution that purchases and uses its drugs, medical device or medical consumables, and any of the following circumstances apply, it shall be included in the negative record of commercial bribery: (1) Where the people's court determines that his act constitutes a crime of bribery, but the circumstances of the crime are minor and it is not necessary to impose criminal punishment, and the people's court exempts him from criminal punishment in accordance with the criminal law; (2) Where the crime of bribery is minor in nature and the people's procuratorate decides not to prosecute; (3) Where the case is investigated by the discipline inspection and supervision department as a bribery case and handled according to the laws; (4) Where administrative punishment is imposed by the finance, industry and commerce administration, food and drug supervision departments, etc., due to the act of bribery; (5) Other circumstances as stipulated by laws, regulations and rules.

2. Anti-Unfair Competition

The Anti-Unfair Competition Law comprehensively regulates competition among business operators. According to the Anti-Unfair Competition Law, business operators shall follow the principles of voluntariness, equality, fairness, and honesty in their production operations, and comply with laws and business ethics. An act by an operator in the course of production and business activities that violates the provisions of the Anti-Unfair Competition Law, disrupts the market competition order, and harms the legitimate rights and interests of other operators or consumers constitutes unfair competition.

OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

Laws and Regulations Governing Pharmaceutical Supervision

Major Regulatory Authorities

In the United States, the FDA regulates drugs under the Federal Food Drug and Cosmetic Act (the "**FDCA**"), its implementing regulations, and biologics implemented under the FDCA and the Public Health Service Act (the "**PHSA**") and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations, such as those related to competition. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or following approval may subject an applicant to administrative actions or judicial sanctions. These actions and sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal fines or penalties.

Regulations Governing Drug Research & Development, Registration, Production and Marketing Activities

Once a product candidate is identified for development, it enters preclinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Preclinical testing is conducted in accordance with FDA's Good Laboratory Practice regulations. A sponsor of an IND must submit the results of the preclinical tests, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an Institutional Review Board (the "**IRB**"), must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and re-approve the study at least annually. Each new clinical protocol and any amendments to the protocol that significantly affects the safety of subjects must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects.

Clinical trials generally are conducted in three sequential phases, known as Phase I, Phase II and Phase III, and may overlap. Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the investigators 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor's initial receipt of the information. Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at **www.clinicaltrials.gov**.

Concurrent with clinical trials, companies usually complete additional preclinical studies and also must develop additional information about the chemistry and physical characteristics of the drug or biologic as well as finalize a process for manufacturing the product in commercial quantities in accordance with current Good Manufacturing Practice ("**cGMP**") requirements. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

Regulation of Radiopharmaceutical Research and Development in the United States

The regulation of radioactive materials used in radiopharmaceutical research and development ("**R&D**") in the United States depends on the location where such work occurs. Under Section 274 of the Atomic Energy Act of 1954, as amended ("**AEA**"), the U.S. Nuclear Regulatory Commission ("**NRC**") may enter into agreements under which a state assumes regulatory authority over byproduct, source, and small quantities of special nuclear materials. These "Agreement States" maintain regulatory programs that "must be compatible with the NRC's program." Accordingly, possession and use of radioactive material for radiopharmaceutical R&D is licensed and regulated by the NRC in non-Agreement States and by the applicable state radiation-control agency in Agreement States. Because Agreement State programs generally parallel the NRC's regulatory framework, for these purposes we will describe the NRC's regulatory framework but not any state-specific requirements.

For NRC-regulated activities, non-human R&D – such as laboratory development, analytical work, and animal studies – may be conducted under a specific materials license issued under 10 Code of Federal Regulations ("**C.F.R.**") Part 30 or, for qualifying organizations conducting multiple activities involving radioactive materials, a broad-scope license under Part 33. Research involving human subjects requires material and uses authorized by license and must satisfy the human-subject protections in 10 C.F.R. § 35.6, including applicable Institutional Review Board review and informed-consent requirements.

A foreign company that contracts with a U.S. company for R&D activities under the U.S. company's radioactive materials license, is not required to obtain and hold a radioactive materials license itself unless that foreign company will engage in any of the foregoing activities within the United States.

Under the federal materials-licensing framework described above, a U.S. subsidiary controlled by a Chinese parent company is not subject to a separate or categorical restriction solely because of its Chinese ownership, although any licensable activities remain subject to the applicable case-specific licensing requirements.

Under our Group's current and contemplated operating arrangements for XTR004, our role in the United States is, and is expected to remain, limited to administrative, contractual and clinical-trial sponsor activities, including establishing and maintaining a U.S. subsidiary, communicating with the FDA, arranging and overseeing outsourced R&D and technology transfer, coordinating with U.S. suppliers and contract manufacturers regarding radionuclide sourcing and investigational drug manufacture, and sponsoring and coordinating planned clinical trials through third-party clinical trial sites and investigators. R&D is currently undertaken by the contract manufacturer in California, while the locations for future clinical supply remain to be determined by reference to the selected clinical trial sites. Because all activities requiring a specific radioactive materials license are or will be performed exclusively by third parties holding licenses covering the relevant materials, activities and locations, and not by any Group member, no member of our Group, including our U.S. subsidiary, is required, or is expected to be required, to obtain or hold such a license in our own name under the applicable U.S. federal or state radioactive materials licensing framework.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA or BLA. Unless deferred or waived, NDAs or BLAs, or supplements must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The submission of an NDA or a BLA is subject to the payment of a substantial user fee and an annual prescription drug product program fee.

Within 60 days of its receipt, the FDA reviews the NDA/BLA to ensure that it is sufficiently complete for substantive review before it accepts the NDA/BLA for filing. After accepting the NDA/BLA filing, the FDA begins an in-depth substantive review to determine, among other things, whether a product is safe and effective for its intended use. The FDA also evaluates whether the product's manufacturing is GMP-compliant to assure the product's identity, strength, quality and purity. Before approving the NDA/BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with GMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the NDA/BLA to an advisory committee, a panel of experts, for review whether the application should be approved and under what conditions and considers such recommendations when making decisions.

The FDA may refuse to approve the NDA/BLA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. The FDA will issue a complete response letter describing all of the specific deficiencies that the FDA identified in the NDA/BLA that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. The applicant may either resubmit the NDA/BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

The regulatory approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including Phase IV clinical trials, to further assess a product's safety and effectiveness after NDA/BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

LAWS AND REGULATIONS IN RELATION TO INTERNATIONAL SANCTIONS AND EXPORT CONTROL

International Sanctions

United States

The OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus.

OFAC also prohibits virtually all business dealings with persons and entities identified in the Specially Designated Nationals and Blocked Persons List (the "**SDN List**"). Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List.

United Nations

The United Nations Security Council (the "**UNSC**") has taken measures ranging from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, and financial restrictions. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

The United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia.

Export Controls

United States

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. The United States has increased export controls restrictions on China through the EAR, administered by the BIS. Products produced outside of the United States (i.e., foreign produced items in U.S. export controls context) that contain a de minimis threshold (usually varies from 10% to 25%) of controlled U.S.-origin items, or otherwise subject to the foreign direct product rules, would be subject to the EAR export restrictions. Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR is generally prohibited unless the specified license requirements are met. In addition, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use.

For U.S. export controls applicable to our business, we have transacted or collaborated with counterparties listed on the Entity List and Unverified List. The Entity List is a list maintained by the BIS, which identifies parties reasonably believed to be involved in, or to pose a significant risk of becoming involved in, activities contrary to the national security or foreign policy interests of the United States. Exports or transfers of items subject to the EAR to parties listed on the Entity List are generally prohibited unless a license from BIS is obtained. The Unverified List is a list maintained by the BIS which imposes less stringent export restrictions than the Entity List. Exporters may need to undertake additional compliance and verification procedures, including obtaining an end-user statement from the entity listed on the Unverified List confirming that it is the end-user for exports subject to the EAR. The Unverified List does not, in itself, prohibit exports of items subject to the EAR, as long as the additional compliance and verification procedures are fulfilled. Please See "Business Section – Business Activities In Relation To Region And Entities Subject To International Sanctions And Entity Subject To Export Controls" for more details.

Japan

In addition, we have transacted or collaborated with counterparties listed on the METI MEU List. The METI MEU List is a list maintained by the Japanese Ministry of Economy, Trade and Industry, or the METI, which provides referential information on foreign entities with potential proliferation concerns. For exports to entities listed on the METI MEU List, the METI requires exporters to obtain an export license granted by the METI, except where it is evident that the cargo and other items to be exported will not be used for activities such as the development of weapons of mass destruction, missiles or conventional weapons. Please See "Business Section – Business Activities In Relation To Region And Entities Subject To International Sanctions And Entity Subject To Export Controls" for more details.

OVERVIEW

We are dedicated to the development and commercialization of both diagnostic and therapeutic radiopharmaceuticals with considerable market potential.

Our Company was established in January 2005 by Mr. Xu, our executive Director, chairperson of our Board and general manager. For further information about Mr. Xu, please refer to "Directors and Senior Management – Board of Directors – Executive Directors" in this prospectus. For details of corporate development of our Company, please refer to paragraphs headed "Subsequent Capital Changes and Equity Transfers of Our Company" in this section. We have also attracted Pre-IPO Investors since the establishment of our Company. For details of our historical financing, please refer to the paragraphs headed "Pre-IPO Investments" in this section.

BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain development milestones of our Group:

Year	Milestones
2005	Our Company was established
2014	Started the research and development of radiopharmaceutical
2016	We listed on the NEEQ
2018	We voluntarily delisted from the NEEQ
2019	We obtained clinical trial approval of XTR005 (歐韋寧®), the first radiopharmaceutical clinical trial approval we obtained
	We completed the Division and focused on the radiopharmaceutical market
2020	We obtained clinical trial approvals for XTR004
2021	Shanghai Sinotau was established
2022	We obtained clinical trial approval for XTR008
2023	We completed Jun-2023 Capital Increase and raised approximately RMB1,100 million
	We received regulatory approval from NMPA for XTR005 (歐韋寧®)
	Glotope commenced radiopharmaceutical CRO/CDMO business
2024	We were awarded the national "Specialized, Refined, and New 'Little Giant'" (國家級專精特新「小巨人」企業) enterprise title
	Jiangsu Sinotau Pharmaceutical obtained the Radiopharmaceutical Business License (放射性藥品經營許可證)
	We completed the Nov-2024 Capital Increase and raised approximately RMB400 million
2025	We completed Jan-2025 Capital Increase and raised approximately RMB200 million
	We commenced the commercialization and launched XTR005 (歐韋寧®) in hospitals across China, achieving GMP-standardized production and commercialization
2026	We received the regulatory clearance from the NMPA for conducting and launched a Phase III clinical trial of XTR008 for advanced SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins

CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR GROUP

Establishment of Our Company

Our Company was established in the PRC on January 24, 2005 as a limited liability company with its name as Beijing Sinotau International Technology Co., Ltd. (北京先通國際技術有限公司). Upon establishment, the registered capital of our Company was RMB1 million, which was owned by Mr. Xu, BAI Ge (白戈) ("**Bai Ge**"), WEN Yanqiu (文艷秋) ("**Wen Yanqiu**") and BAI Yuqin (白玉琴) ("**Bai Yuqin**"), save for Mr. Xu, each of which is an Independent Third Party, as to 35%, 30%, 20% and 15%, representing RMB0.35 million, RMB0.3 million, RMB0.2 million and RMB0.15 million of the registered capital of our Company, respectively. Upon establishment, our Company temporarily engaged in pharmaceutical raw materials import and export business, which was ceased shortly after, rendering our Company an investment vehicle before it started the research and development of radiopharmaceutical in 2014.

The 2010s were a landmark decade for radiopharmaceuticals, characterized by the transition from broad-beam imaging to precision radiotheranostics, an era that established the modern paradigm of pairing identical molecular structures for both diagnostic imaging and targeted cancer treatment. In 2014, through the introduction of an Independent Third Party, our Company took an interest in radiopharmaceuticals and started to realize its clinical potentials. At that time, the research and development of innovative radiopharmaceuticals in China was at a nascent stage, and there was a substantial room for growth in the market. Our Company's business shift was enabled by, among other things, our realization of pharmaceuticals' clinical potentials, our subsequent in-licensing and independent development of radiopharmaceutical candidates including XTR003, XTR004, XTR005, XTR006 and XTR008 from 2014 to 2019, and the gradual establishment of our R&D capabilities through accumulated experience in domestic radiopharmaceutical development and registration and the recruitment of talents with expertise in radiophysics and medicinal chemistry.

As our radiopharmaceutical business developed, our Company decided to divide it from the non-radioactive generic drug business. Our Company voluntarily delisted from the NEEQ in April 2018 and thereafter undertook preparatory work for the division of the two businesses. A resolution approving the division was passed in September 2019, and the division was completed in December 2019. Upon completion, our Company focused on radiopharmaceuticals, while Xiantongyuan carried on the non-radiopharmaceutical business. For further details, see "– 6. Capital Increase During the NEEQ Listing Period" and "– 8. Division and Capital Reduction in December 2019" in this section.

Subsequent Capital Changes and Equity Transfers of Our Company

1. Early History of our Company

Our Company was founded by Mr. Xu in 2005 for pursuing his entrepreneurial initiatives, with an initial focus on developing business opportunities in the import and export of pharmaceutical raw materials. Before commencing the research and development of radiopharmaceutical in 2014, we underwent certain equity transfers, upon completion of which, as of November 30, 2010, the registered capital of our Company was RMB1 million, which was owned by Mr. Xu and Qi Hui, the spouse of Mr. Xu, as to 99% and 1%, respectively. In 2014, as introduced by a business partner, an Independent Third Party, we decided to commence the research and development of radiopharmaceutical. For role and responsibility of Mr. Xu in our Group before 2014, please refer to "Directors and Senior Management – Board of Directors".

2. Capital Increase in March 2015

Pursuant to the Shareholders' resolutions dated March 6, 2015, the registered capital of our Company increased from RMB1 million to RMB10 million, and each of Mr. Xu, Xue Fei, Chu Wei, ZHANG Yingjie (張英傑) ("**Zhang Yingjie**"), Liu Shuang, LIU Rui (劉瑞) ("**Liu Rui**") and MAO Ruijuan (毛瑞娟) ("**Mao Ruijuan**") subscribed for an increased registered capital of RMB5.963 million, RMB0.95 million, RMB0.70 million, RMB0.60 million, RMB0.55 million, RMB0.15 million and RMB87,000 at par value. The consideration was fully settled on April 30, 2015. The name of our Company was changed to Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技有限公司).

3. Capital Increase in March 2016

Pursuant to the Shareholders' resolutions dated December 22, 2015, the registered capital of our Company increased from RMB10 million to RMB20.336 million, and Mr. Xu, Xue Fei, Chu Wei, Ms. Tang, Zhang Yingjie, Liu Shuang, Qi Hui, Liu Rui, MU Tianzhi (穆天之) ("**Mu Tianzhi**"), ZOU Xianghong (鄒湘紅) ("**Zou Xianghong**"), ZHANG Di'ou (張迪歐) ("**Zhang Di'ou**"), WANG Peng (王鵬) ("**Wang Peng**"), and Mao Ruijuan subscribed for the increased registered capital of RMB10,336,000 at the consideration of RMB1.25 per registered capital. The consideration was fully settled on December 31, 2015 (the "**Mar-2016 Capital Increase**").

4. Conversion into a Joint Stock Limited Company in March 2016

Pursuant to the Shareholders' resolutions dated March 24, 2016 and the promoters' agreement dated the same day, the then existing Shareholders of our Company agreed to convert our Company into a joint stock limited liability company (the "**Stock Conversion**") with the registered capital of RMB20,336,000. Pursuant to the Shareholders' resolutions and the promoters' agreement, the net asset value of our Company as of December 31, 2015 was RMB21,148,572.10 audited by an independent auditor, of which (i) RMB20,336,000 has been converted into 20,336,000 Shares with a par value of RMB1.00 per Share, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company before the Stock Conversion; and (ii) the remaining amounts of

RMB812,572.10 was converted to capital reserve of our Company. The Stock Conversion was completed on March 28, 2016. Upon completion of the Stock Conversion, our Company was converted into a joint stock company with limited liability and renamed as Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (北京先通國際醫藥科技股份有限公司). For details of promoters, please see the section headed "Statutory and General Information – 9. Promoters" in this prospectus.

5. Capital Increase in April 2016

Pursuant to the Shareholders' resolutions dated April 15, 2016, the registered capital of our Company increased from RMB20.336 million to RMB31 million, and Mr. Xu, Xue Fei, Chu Wei, Zhang Yingjie, Liu Shuang, Ms. Tang, Liu Rui, Qi Hui, Mu Tianzhi (穆天之), Zou Xianghong (鄒湘紅), Wang Peng (王鵬), Mao Ruijuan, and Zhang Di'ou (張迪歐) subscribed for the increased registered capital of RMB10,664,000 at RMB1.25 per Share. The consideration was fully settled on April 19, 2016 (the "**Apr-2016 Capital Increase**").

6. Capital Increase During the NEEQ Listing Period

On August 19, 2016, our Shares became quoted and listed on the NEEQ under the stock code of 838851. During our listing on the NEEQ, our Company has undertaken a series of capital increases as detailed below:

Pursuant to the Shareholders' resolutions dated October 14, 2016, our Company issued 448,300 Shares, representing approximately 12.63% of our total number of issued Shares as enlarged upon completion of the share issuance, at a subscription price of RMB29.02 per Share. The 448,300 Shares were subscribed by 39 investors which entered into series of subscription agreements with our Company dated September 26, 2016, at an aggregate consideration of RMB130,009,666, which was fully settled on October 22, 2016, among which (i) there were 37 individual investors and two corporate investors, i.e. Shenzhen Mingde Weixin No. 9 Investment Partnership (Limited Partnership) (深圳市明德惟馨玖號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 9**") and Shenzhen Wuming Boji Medical Healthcare Industry Investment Partnership (Limited Partnership) (深圳市物明博濟醫療健康產業投資合夥企業(有限合夥)) ("**Wuming Boji**"), which was ultimately controlled by Zhang Yingjie, our non-executive Director; (ii) 4,031,697 Shares in total were issued to six investors in swap of the debt owed by our Company; and (iii) Mr. Xu subscribed for 344,589 Shares, Chu Wei subscribed for 91,316 Shares, Qi Hui subscribed for 79,256 Shares and Wang Peng subscribed for 34,459 Shares, save for Mingde Weixin No. 9, Wuming Boji, Mr. Xu, Chu Wei, Qi Hui and Wang Peng, all the other investors were Independent Third Parties. Upon completion, our registered capital increased from RMB31 million to RMB35,479,997 (the "**Jan-2017 Capital Increase**").

Pursuant to the Shareholders' resolutions dated May 23, 2017, our Company issued 4,257,800 Shares, representing approximately 10.71% of our total number of issued Shares as enlarged upon completion of the share issuance, at a subscription price of RMB35.23 per Share. Suzhou Qiming Rongxin Equity Investment Partnership (Limited Partnership) (蘇州啟明融信股權投資合夥企業(有限合夥)) ("**Qiming Rongxin**"), Suzhou Industrial Zone Qiming Rongchuang Equity Investment Partnership (Limited Partnership) (蘇州工業園區啟明融創股權投資合夥企業(有限合夥)) ("**Qiming Rongchuang**") and Huaqing Bencao Nantong Equity Investment Center (Limited Partnership) (華清本草南通股權投資中心(有限合夥)) ("**Huaqing Bencao**") entered into series of subscription agreements and supplemental agreements dated May 5, 2017, July 10, 2017 and September 7, 2017 with our Company to subscribe 2,299,185 Shares, 539,315 Shares and 1,419,300 Shares, respectively. The 4,257,800 Shares were subscribed at an aggregate consideration of RMB150,002,294, which was fully settled on June 8, 2017 (the "**Dec-2017 Capital Increase**").

In early 2018, we decided that it would benefit both the radiopharmaceutical business and the generic pharmaceutical business to operate separately as two independent companies, considering the differences in the research focus, product development strategies, manufacturing facilities and talent requirements. In particular, the radiopharmaceutical business required long-term investment in innovative drug research and development and specialized manufacturing capabilities, while the generic pharmaceutical business focused on more established pharmaceutical product, such as generic drugs and traditional Chinese medicine extraction. Operating separately would allow each business to allocate resources more efficiently and pursue its own development and financing strategies. Our Company therefore decided to divide the two businesses. For further details of the differences between our radiopharmaceutical business and the generic pharmaceutical business following the Division (as defined below), please refer to "Relationship with Our Single Largest Shareholders Group – Delineation of Business from Xiantongyuan" in this prospectus. Our Company voluntarily delisted from the NEEQ in April 2018 after taking into account (i) the relatively low trading liquidity of our shares on the NEEQ and our evolving capital market and financing needs; and (ii) the additional regulatory and compliance requirements and financial costs that would have been involved in dividing our radiopharmaceutical and non-radiopharmaceutical business while our shares remained listed on the NEEQ, including the

requirements for public disclosures and subsequent updates in relation to the Division, review of relevant disclosures by our NEEQ sponsoring broker and associated professional advisory work, which would have increased the time and costs involved in implementing the Division. For details of the Division (as defined below), please see "– 8. Division and Capital Reduction in December 2019" in this section.

Our Directors confirm that, to the best of their knowledge and in respect of our business: (a) during the period of listing on the NEEQ, (i) our Company had been in compliance in all material respects with the applicable PRC securities laws and regulations and rules; (ii) our Company had not been subject to any disciplinary action by relevant PRC regulators; and (b) there were no matters in relation to our Company's prior listing on the NEEQ and delisting that need to be brought to the attention of the Stock Exchange and the investors. The Joint Sponsors concur the view of the Directors that there were no matters in relation to the Company's prior listing on the NEEQ and delisting that need to be brought to the attention of the Stock Exchange and the investors.

7. Share Transfers in 2019

From April 2019 to October 2019, our Company underwent several rounds of equity transfers among individual Shareholders. In addition, on May 10, 2019, our then Shareholders resolved to adopted the Employee Incentive Scheme, for which Beijing Sinotau Juli was established as one of our Employee Shareholding Platforms, and Mr. Xu, Xue Fei, Chu Wei, Zhang Yingjie, Liu Shuang, Ms. Tang, Liu Rui, and Qi Hui transferred an aggregate of 1,580,490 Shares to Beijing Sinotau Juli for the implementation of the employee incentive scheme.

8. Division and Capital Reduction in December 2019

Before its delisting from the NEEQ in April 2018, our Company had contemplated disposing of the non-radiopharmaceutical business to support the independent development of the two businesses, which was in line with our strategy to focus on the research and development of radiopharmaceuticals. Following the delisting, our Company undertook preparatory work for the division. The disposal was effected by way of a division of our Company into two companies, namely Beijing Xiantongyuan Pharmaceutical Technology Co., Ltd. (北京先通源醫藥科技股份有限公司) ("**Xiantongyuan**") and our Company (the "**Division**").

The Division was approved by resolutions of our Shareholders dated September 25, 2019. Xiantongyuan was established on December 24, 2019 for the purpose of taking over the non-radiopharmaceutical business from our Company. Upon its establishment, Xiantongyuan had the same shareholding structure as our Company at that time, so as to ensure that the interests of our then Shareholders would not be adversely affected by the Division. The Division was completed on December 18, 2019, upon which our Company's registered capital was reduced to RMB21,724,654.

As of the Latest Practicable Date, certain AIC Parties, namely Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Tang Yanmin and Wang Peng, together with Dr. Zhang, a non-executive Director, Liu Rui, a supervisor of our subsidiary, and other minority Shareholders of our Company, held equity interests in Xiantongyuan. Details of their respective equity interests in Xiantongyuan are set forth in the table below:

Name of Shareholders	Immediately after the Division	As of Latest Practicable Date
Mr. Xu	43.76%	66.61%
Xue Fei	6.69%	6.69%
Chu Wei	5.33%	5.33%
Dr. Zhang	4.31%	4.31%
Liu Shuang	4.00%	4.00%
Tang Yanmin	3.41%	3.41%
Liu Rui	1.11%	1.11%
Qi Hui	1.19%	0%
Wang Peng	0.87%	0.87%
Other minority shareholders[1]	22.95%	3.69%
Total	**93.62%**	**96.02%**

Note:

1. None of the minority shareholders is a Director, Supervisor, chief executive or substantial Shareholder of our Company. Each of them holds less than 1% equity interest in Xiantongyuan.

Following the completion of the Division in 2019, our Group and Xiantongyuan have maintained clear business delineation and each keep the management and operational independence. Please refer to the paragraph headed "Relationship with our Single Largest Shareholders Group – Delineation of Business from Xiantongyuan" for details.

9. Capital Increases in July 2020 and September 2020

Pursuant to the Shareholders' resolutions dated March 18, 2020, the registered capital of our Company increased from RMB21,724,654 to RMB24,558,302. The four subscribers, including Guoyao Zhongsheng (Shanghai) Biological Equity Investment Fund Partnership (Limited Partnership) (國藥中生(上海)生物股權投資基金合夥企業(有限合夥)) ("**Guoyao Zhongsheng**"), Shanghai Shengcheng Investment Management Partnership (Limited Partnership) (上海聖成投資管理合夥企業(有限合夥)) ("**Shengcheng Investment**"), Shenzhen Wuming Futian Healthcare Industry Investment partnership (Limited Partnership) (深圳市物明福田健康產業投資合夥企業(有限合夥)) ("**Wuming Futian**") and Beijing Hetang Life Science Innovation Fund (Limited Partnership) (北京荷塘生命科學原始創新基金(有限合夥)) ("**Hetang Innovation**"), subscribed for the increased share capital of 2,833,648 Shares at a total consideration of RMB150 million pursuant to the subscription agreement dated April 13, 2020. The consideration was fully settled on June 5, 2020 (the "**Jul-2020 Capital Increase**").

Pursuant to the Shareholders' resolutions dated July 10, 2020, the registered capital of our Company increased from RMB24,558,302 to RMB27,014,132. The two subscribers, including Beijing Tongfu Innovation Industry Investment Fund Partnership (Limited Partnership) (北京同輻創新產業投資基金合夥企業(有限合夥)) ("**Tongfu Fund**") and Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership) (北京國科鼎智股權投資中心(有限合夥)) ("**Guoke Dingzhi**"), subscribed for the increased share capital of 2,455,830 Shares at a total consideration of RMB130 million pursuant to the subscription agreement dated July 22, 2020. The consideration was fully settled on September 11, 2020 (the "**Sep-2020 Capital Increase**").

10. Share Swap, Share Compensation and Share Transfer in May 2021

During the preparation stage of the Division, Mr. Xu agreed to swap his Shares held in our Company with the shares of Xiantongyuan held by the relevant shareholders who were unwilling to hold shares of Xiantongyuan so as to facilitate the process of the Division. As a result, a series of confirmations and share swap agreements were entered into between June 2019 and March 2021, pursuant to which Mr. Xu swapped an aggregate of 1,283,642 Shares with the shares of Xiantongyuan held by 23 Shareholders and such swap was fully settled on May 2, 2021.

During the process of the Division, in order to facilitate the Division, after negotiation among parties, Mr. Xu also agreed to compensate Qiming Rongxin, Qiming Rongchuang and Huaqing Bencao by transferring 284,627 Shares to such Shareholders. Such compensation was fully settled on May 2, 2021.

After commercial negotiation, it was agreed that all the debt owned by Xiantongyuan to Shenzhen Mingde Weixin No. 7 Investment Partnership (Limited Partnership) (深圳市明德惟馨柒號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 7**") and Jiangsu Wangao Pharmaceutical Co., Ltd. (江蘇萬高藥業股份有限公司) ("**Jiangsu Wangao**") would be bore by Mr. Xu, and such debts would be settled in the form of transferring Mr. Xu's Shares in our Company to Mingde Weixin No. 7 and Jiangsu Wangao, respectively. Accordingly, on March 27, 2020 and March 2, 2021, Mingde Weixin No. 7 entered into a share transfer agreement and a supplemental agreement with Mr. Xu, pursuant to which, Mr. Xu agreed to transfer 230,470 Shares to Mingde Weixin No. 7 at the consideration of approximately RMB52.94 per Share. On March 27, 2020 and March 2, 2021, Jiangsu Wangao entered into a share transfer agreement and a supplemental agreement with Mr. Xu, pursuant to which, Mr. Xu agreed to transfer 188,910 Shares at the consideration of approximately RMB52.94 per Share. Such share transfers were fully settled on May 2, 2021.

11. Capital Increases and Share Transfers in 2021

Pursuant to the Shareholders' resolutions dated January 22, 2021, the registered capital of our Company increased from RMB27,014,132 to RMB31,982,249. CICC Qide (Xiamen) Innovation Biomedical Venture Capital Partnership (Limited Partnership) (中金啟德(廈門)創新生物醫藥創業投資合夥企業(有限合夥)) ("**CICC Qide**"), Hetang Innovation, Tianjin Panya Equity Investment Fund Partnership (Limited Partnership) (天津盼亞股權投資基金合夥企業(有限合夥)) ("**Tianjin Panya**"), Chengdu Deyi Xinhua Equity Investment Partnership (Limited Partnership) (成都得怡欣華股權投資合夥企業(有限合夥)) ("**Deyi Xinhua**"), Shanghai Longshen No. 6 Venture Capital Partnership (Limited Partnership) (上海隆申六號創業投資合夥企業(有限合夥)) ("**Longshen No. 6**"), Langma No. 36 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十六號(深圳)創業投資中心(有限合夥)) ("**Langma No. 36**"), Langma No. 33 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十三號(深圳)創業投資中心(有限合夥)) ("**Langma No. 33**"), and Beijing Yuanhui Ruize Phase 0 Equity Investment Fund Center (Limited Partnership) (北京源慧睿澤零期股權投資基金中心(有限合夥)) ("**Yuanhui Ruize**") subscribed for the increased share capital of 4,968,117 Shares at a total consideration of RMB320 million pursuant to the subscription agreement dated January 29, 2021. The consideration was fully settled on February 19, 2021 (the "**Feb-2021 Capital Increase**").

On March 22, 2021, we, Mr. Xu and Hetang Innovation entered into a share transfer agreement, pursuant to which Mr. Xu agreed to transfer 345,008 Shares to Hetang Innovation at the total consideration of RMB20 million. On March 23, 2021, the Company and Beijing Yizhuang Pharmaceutical Small and Medium Enterprise Entrepreneurship Investment Center (Limited Partnership) (北京亦莊醫藥中小企業創業投資中心(有限合夥)) ("**Yizhuang Investment**") entered into a share transfer agreement with Mr. Xu, pursuant to which Mr. Xu agreed to transferred 103,502 Shares to Yizhuang Investment at the total consideration of RMB6 million. Such consideration was fully settled on April 9, 2021 (the "**Apr-2021 Share Transfers**").

Pursuant to the Shareholders' resolutions dated March 31, 2021, the registered capital of our Company increased from RMB31,982,249 to RMB33,581,362. Such increased registered capital was subscribed by Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi, each an Employee Shareholding Platform, as to 799,556 Shares and 799,557 Shares at par value. Such consideration was fully settled on June 16, 2023.

Pursuant to the Shareholders' resolutions dated September 24, 2021, the registered capital of our Company increased from RMB33,581,362 to RMB37,561,375. Jiangsu Jiequan Chengda Equity Investment Center (Limited Partnership) (江蘇聿泉成達股權投資中心(有限合夥)) ("**Jiequan Chengda**"), Nanjing Zhengkai Entrepreneur Management Partnership (Limited Partnership) (南京鉦凱企業管理合夥企業(有限合夥)) ("**Nanjing Zhengkai**"), Tianjin Panya Equity Investment Fund Partnership (Limited Partnership) (天津盼亞股權投資基金合夥企業(有限合夥)) ("**Tianjin Panya**"), and Chengdu Deyi Xinhua Equity Investment Partnership (Limited Partnership) (成都得怡欣華股權投資合夥企業(有限合夥)) ("**Deyi Xinhua**") subscribed for the increased share capital of 3,980,013 Shares at a total consideration of RMB320 million pursuant to the subscription agreement dated September 26, 2021. The consideration was fully settled on October 20, 2021 (the "**Oct-2021 Capital Increase**").

12. Capital increases in June 2023

Pursuant to the Shareholders' resolutions dated May 22, 2023, the registered capital of our Company increased from RMB37,561,375 to RMB47,498,603. China Structural Reform Fund II Corporation Limited (中國國有企業結構調整基金二期股份有限公司) ("**China Structural Reform Fund II**"), Hetang Innovation, Guotou (Guangdong) Technology Achievement Transformation Venture Capital Fund Partnership (Limited Partnership) (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥)) ("**Guotou Guangdong**"), Genertec Venture Capital Co., Ltd. (通用技術創業投資有限公司) ("**Genertec VC Company**"), Jiangxi Jilin Xinsheng Enterprise Management Co., Ltd. (江西濟麟鑫盛企業管理有限公司) ("**Jilin Xinsheng**"), GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司) ("**GF Qianhe**"), Guangdong Yueke Great Health Venture Capital Center on The West Bank of The Pearl River (Limited Partnership) (廣東粵科珠江西岸大健康創業投資中心(有限合夥)) ("**Zhuxi Healthcare**"), Wuxi Shanghang Industry Venture Capital Fund Partnership (Limited Partnership) (無錫尚行產業投資基金合夥企業(有限合夥)) ("**Wuxi Shanghang**"), Tianjin Qingshi Zhenhe Biomedical Equity Investment Fund Partnership (Limited Partnership) (天津磬石臻和生物醫藥股權投資基金合夥企業(有限合夥)) ("**Qingshi Zhenhe**"), Jiaxing Yaojin Equity Investment Partnership (Limited Partnership) (嘉興垚錦股權投資合夥企業(有限合夥)) ("**Jiaxing Yaojin**"), Jiaxing Zhizheng Venture Capital Partnership (Limited Partnership) (嘉興知正創業投資合夥企業(有限合夥)) ("**Zhizheng VC**"), Zhongshan Talent Shuangchuang Development Investment Master Fund Partnership (Limited Partnership) (中山市人才雙創發展投資母基金合夥企業(有限合夥)) ("**Zhongshan Talent**"), Nanjing Enjie Venture Capital Partnership (Limited Partnership) (南京恩捷創業投資合夥企業(有限合夥)) ("**Nanjing Enjie VC**"), Zhongshan Jintou Venture Capital Fund Partnership (Limited Partnership) (中山金投創業投資發展基金(有限合夥)) ("**Zhongshan Jintou**"), Zibo Boyu Zhiyuan Equity Investment Partnership (Limited Partnership) (淄博鉑宇致遠股權投資合夥企業(有限合夥)) ("**Boyu Zhiyuan**"), Wuhan Lide Investment Co., Ltd. (武漢利德投資有限公司) ("**Wuhan Lide**"), Boyu Kuntong (Zibo) Equity Investment Partnership (Limited Partnership) (鉑宇坤桐(淄博)股權投資合夥企業(有限合夥)) ("**Boyu Kuntong**"), Boyu Kexing (Zibo) Equity Investment Partnership (Limited Partnership) (鉑宇科興(淄博)股權投資合夥企業(有限合夥)) ("**Boyu Kexing**"), and Hebei Xiong'an Tongzi Zhongzhi Investment Management Partnership (Limited Partnership) (河北雄安通資眾智投資管理合夥企業(有限合夥)) ("**Tongzi Zhongzhi**") subscribed for the increased share capital of 7,799,791 Shares at a total consideration of RMB685,260,000 pursuant to the subscription agreement dated June 9, 2023. The consideration was fully settled on June 26, 2023 (the "**First Jun-2023 Capital Increase**"). Pursuant to the same agreement, Beijing Sinotau Juxin and Beijing Sinotau Juhui, each an Employee Shareholding Platform, subscribed for 1,775,726 Shares and 361,711 Shares at par value, respectively. The consideration was fully settled on June 14, 2023.

Pursuant to the Shareholders' resolutions dated June 21, 2023, the registered capital of our Company increased from RMB47,498,603 to RMB52,219,273. Jiangsu Jiequan Chengda Equity Investment Center (Limited Partnership) (江蘇聿泉成達股權投資中心(有限合夥)) ("**Jiequan Chengda**"), GoldStone New Material Fund for Manufacturing Transformation and Upgrading (Limited Partnership) (金石製造業轉型升級新材料基金(有限合夥)) ("**GoldStone New Material Fund**"), CITIC Securities Investment Co., Ltd. (中信證券投資有限公司) ("**CITIC Securities**"), Wuxi Guolian Industrial Collaboration Investment Center (Limited Partnership) (無錫國聯產業協同投資中心(有限合夥)) ("**Wuxi Guolian**"), GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司) ("**GF Qianhe**"), Central Enterprise Rural Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司) ("**Rural Industry Fund**"), and Wuxi Jinyi Hongda Consulting Partnership (Limited Partnership) (無錫金易弘達諮詢服務合夥企業(有限合夥)) ("**Jinyi Hongda**") subscribed for the increased share capital of 4,720,670 Shares at a total consideration of RMB414,740,000 pursuant to the subscription agreement dated June 21, 2023. The consideration was fully settled on June 28, 2023 (the "**Second Jun-2023 Capital Increase**", together with the First Jun-2023 Capital Increase, the "**Jun-2023 Capital Increases**").

As the valuation adjustment clause as agreed in the relevant share subscription agreement dated September 26, 2021 was triggered, Mr. Xu transferred 244,228 Shares, 122,114 Shares, 14,654 Shares and 9,769 Shares to Jiequan Chengda, Nanjing Zhengkai, Tianjin Panya and Deyi Xinhua at nil consideration, respectively.

13. Share transfers between June 2023 and October 2024

On June 26, 2023, Huaqing Bencao entered into share transfer agreements with Jiaxing Weixin Yitian Equity Investment Partnership (Limited Partnership) (嘉興惟馨益田股權投資合夥企業(有限合夥)) ("**Jiaxing Weixin**") and Chongqing Hetang Private Equity Investment Fund Partnership (Limited Partnership) (重慶荷塘私募股權投資基金合夥企業(有限合夥)) ("**Chongqing Hetang**"), respectively, pursuant to which, Huaqing Bencao agreed to transfer 205,235 Shares and 363,876 Shares to Jiaxing Weixin and Chongqing Hetang at the consideration of RMB14,425,968 and RMB25,575,012.63, respectively. The consideration was fully settled on July 7, 2023 (the "**Jun-2023 Share Transfer**").

On June 29, 2023, ZHANG Yuan (張媛), an Independent Third Party, and Mr. Xu entered into a share transfer agreement, pursuant to which Zhang Yuan agreed to transfer 3,768 Shares to Mr. Xu at the total consideration of RMB229,484.59. The consideration was fully settled on July 20, 2023. On March 19, 2024, DONG Junlin (董俊麟), an Independent Third Party, and Mr. Xu entered into a share transfer agreement, pursuant to which Dong Junlin agreed to transfer 1,884 Shares to Mr. Xu at the total consideration of RMB118,442.21. The consideration was fully settled on March 21, 2024.

On October 10, 2024, among others, Langma No. 33, Langma No. 36, Nanjing Zhengkai and our Company entered into a share transfer agreement, pursuant to which, each of Langma No. 33 and Langma No. 36 agreed to transfer 155,254 Shares and 77,627 Shares to Nanjing Zhengkai at the total consideration of RMB11,366,145 and RMB5,683,073, respectively. The consideration was fully settled on October 23, 2024 (the "**Oct-2024 Share Transfer**").

14. Capital Increases and Equity Transfer in 2024

Pursuant to the Shareholders' resolutions dated November 11, 2024, the registered capital of our Company increased from RMB52,219,273 to RMB56,772,167. GoldStone New Material Fund and Beijing Pharmaceutical Healthcare Industry Investment Fund (Limited Partnership) (北京市醫藥健康產業投資基金(有限合夥)) ("**Pharmaceutical Fund**") subscribed for the increased share capital of 4,552,894 Shares at a total consideration of RMB400,000,000 pursuant to the subscription agreement dated November 14 2024. The consideration was fully settled on November 28, 2024 (the "**Nov-2024 Capital Increase**").

On December 16, 2024, Wuhan Lide, Zhuhai Chunxiao Technology Co., Ltd. (珠海春曉科技有限公司) ("**Zhuhai Chunxiao**") and our Company entered into a share transfer agreement, pursuant to which, Wuhan Lide agreed to transfer 113,822 Shares to Zhuhai Chunxiao at the total consideration of RMB10,000,000. The consideration was fully settled on December 19, 2024 (the "**Dec-2024 Share Transfer**").

Pursuant to the Shareholders' resolutions dated December 26, 2024, the registered capital of our Company increased from RMB56,772,167 to RMB59,048,614. Jiequan Chengda subscribed for the increased share capital of 2,276,447 Shares at a total consideration of RMB200,000,000 pursuant to the subscription agreement dated December 30, 2024. The consideration was fully settled on December 30, 2024 (the "**Jan-2025 Capital Increase**").

15. Share Transfer in March 2025

On February 6, 2025, Huaqing Bencao and Jiaxing Yaotong Equity Investment Partnership (Limited Partnership) (嘉興垚通股權投資合夥企業(有限合夥)) ("**Jiaxing Yaotong**") entered into a share transfer agreement, pursuant to which, Huaqing Bencao agreed to transfer 420,594 Shares to Jiaxing Yaotong at the total consideration of RMB26,976,000. The consideration was fully settled on March 10, 2025 (the "**Mar-2025 Share Transfer**").

16. Share Transfers in May 2025

On May 12, 2025, our Company, Qiming Rongxin and Qiming Rongchuang entered into a share transfer agreement with Wuxi Shanghang, pursuant to which, each of Qiming Rongxin and Qiming Rongchuang agreed to transfer 73,669 Shares and 17,280 Shares to Wuxi Shanghang at the consideration of RMB5,178,194.01 and RMB1,214,611.20, respectively. The consideration was fully settled on May 15, 2025 (the "**First May-2025 Share Transfer**").

On May 22, 2025, our Company, Qiming Rongxin and Qiming Rongchuang entered into a share transfer agreement with Maotai GoldStone (Guizhou) Bio-technology Industry Fund Limited Partnership (Limited Partnership) (茅台金石(貴州)生物科技產業基金合夥企業(有限合夥)) ("**Maotai GoldStone Fund**"), pursuant to which each of Qiming Rongxin and Qiming Rongchuang agreed to transfer 502,514 Shares and 117,874 Shares to Maotai GoldStone Fund at the consideration of RMB35,321,709.06 and RMB8,285,363.46, respectively. On May 22, 2025, our Company and Huaqing Bencao entered into a share transfer agreement with Maotai GoldStone Fund, pursuant to which Huaqing Bencao agreed to transfer 97,009 Shares to Maotai GoldStone Fund at the consideration of RMB6,392,893.10. The considerations were fully settled on May 23, 2025 (the "**Second May-2025 Share Transfer**", together, the "**May-2025 Share Transfers**").

CONCERT PARTY AGREEMENT

On July 20, 2020, Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng entered into the Concert Party Agreement, pursuant to which, they (i) acknowledged and confirmed their relationship of acting in concert in exercising the rights of the shareholders of the Company, and agreed to continue such acting in concert relationship, and (ii) agreed to consult with each other and reach a unanimous consensus before the decisions when exercising his/her voting rights as a shareholder of the Company and when participating in the Group's operation and management, external investments and all major matters, and if there is any disagreement between them after consultation, parties shall follow Mr. Xu's decision in exercising his/her voting rights of the Shares. The Concert Party Agreement shall remain valid until December 31, 2030, unless otherwise terminated by mutual agreement among the AIC Parties.

Xue Fei joined our Group as a Director in March 2015. He ceased to be a Director of our Company at the time of the Division and became a director of Xiantongyuan. During his tenure as a Director of our Company, Xue Fei was mainly responsible for sales and marketing. He was not responsible for, neither did he participate in, the research and development activities of our Group. Accordingly, his cessation as a Director of our Company at the time of Division did not have any material adverse impact on the R&D activities of our Group. Save for being one of the AIC Parties and a Shareholder, Xue Fei has no relationship with Mr. Xu or the Group.

OUR GROUP

As of the Latest Practicable Date, our Group comprised our Company and our 14 onshore subsidiaries and two overseas subsidiaries. For details of our subsidiaries, see Note 1 to the Accountants' Report in Appendix I to this prospectus.

We primarily operate our business through our Company and principal operating subsidiaries. As of the Latest Practicable Date, we had four principal operating entities, including our Company, Glotope, Shanghai Sinotau and Jiangsu Sinotau Pharmaceutical which made material contribution to our results of operation during the Track Record Period, the details of which are set forth below:

	Place of Incorporation	Date of Incorporation	Principal Business activities
Our Company	PRC	January 24, 2005	Research and development of radiopharmaceuticals
Glotope	PRC	June 3, 2019	CRO/CDMO services
Shanghai Sinotau	PRC	November 12, 2021	New drug research and development
Jiangsu Sinotau Pharmaceutical	PRC	May 17, 2023	Sales of goods

Establishment and Shareholding Changes of Major Subsidiaries

Glotope

Glotope was established on June 3, 2019 with a registered capital of RMB100 million. Since its establishment and until July 22, 2023, Glotope had been our wholly-owned subsidiary. On March 23, 2021, the registered capital of Glotope decreased from RMB100 million to RMB10 million. The registered capital was then increased to RMB50 million on March 9, 2023. On July 22, 2023, our Company decided to increase the registered capital of Glotope to RMB108,088,234. The increased registered capital was subscribed by our Company as to RMB14,705,882, Guotou Guangdong as to RMB29,411,765, Chengdu Guotong Juli Technology Development Center (Limited Partnership) (成都國通聚力科技發展中心(有限合夥)) ("**Guotong Juli**"), as an employee shareholding platform of Glotope, as to RMB4,411,765, Chengdu Guotong Juneng Technology Development Center (Limited Partnership) (成都國通聚能科技發展中心(有限合夥)) ("**Guotong Juneng**"), as an employee shareholding platform of Glotope, as to RMB4,411,764 and other three subscribers, each an Independent Third Party. During the period between August 2023 and May 2026, Glotope further underwent four rounds of capital increase and the registered capital increased to RMB149,098,134. As of the Latest Practicable Date, Glotope was owned as to approximately 52.95%, 19.73%, 4.78%, 2.96%, 2.96% and 16.62% by our Company, Guotou Guangdong, Jiequan Chengda, Guotong Juli, Guotong Juneng and other seven Independent Third Party investors, respectively.

Shanghai Sinotau

Shanghai Sinotau was established on November 12, 2021 with a registered capital of RMB30 million. Since its establishment, Shanghai Sinotau has been our subsidiary. As of the Latest Practicable Date, the registered capital of Shanghai Sinotau was RMB30 million.

Jiangsu Sinotau Pharmaceutical

Jiangsu Sinotau Pharmaceutical was established on May 17, 2023 with a registered capital of RMB30 million. Since its establishment, Jiangsu Sinotau Pharmaceutical has been our subsidiary. As of the Latest Practicable Date, the registered capital of Jiangsu Sinotau Pharmaceutical was RMB30 million.

EMPLOYEE INCENTIVE SCHEMES

To enhance corporate governance, establish long-term incentives, attract and retain talent, boost team cohesion and competitiveness, align interests of shareholders, company, and core team, and ensure long-term development and strategic goals, Beijing Sinotau Juli, Beijing Sinotau Juxin, Beijing Sinotau Juhui, Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi formed as our Employee Shareholding Platforms. Multiple Employee Shareholding Platforms were established in 2019, 2021 and 2023 to accommodate the equity incentive arrangements at different stages of our development. As the incentive participants and incentive schemes under the Employee Shareholding Platforms differ, the use of multiple platforms facilitates the efficient administration and management of our equity incentive arrangements. In addition, taking into account the statutory limit on the number of partners of a limited partnership in the PRC pursuant to the Partnership Enterprise Law of the People's Republic of China (《中華人民共和國合夥企業法》), the use of multiple platforms provides flexibility for the grant and administration of incentives to eligible participants. As of the Latest Practicable Date, Mr. Xu was the general partner of each of the Employee Shareholding Platforms. Mr. Xu held 0.0001% of the partnership interest in Beijing Sinotau Juli, 0.28% of the partnership interest in Beijing Sinotau Juxin, 20.46% of the partnership interest in Beijing Sinotau Juhui, 12.94% of the partnership interest in Tianjin Sinotau Juneng and 51.55% of the partnership interest in Tianjin Sinotau Juzhi. Thus, in effect, all management powers and voting rights of each Employee Shareholding Platform resided with Mr. Xu. Furthermore, each of Mr. Xu, Ms. Tang and Mr. Wang holds his or her respective interest in the Employee Incentive Schemes for his or her own benefit and will not further grant or otherwise transfer such interest to any other employee, consultant or investor of the Group.

Beijing Sinotau Juli

Beijing Sinotau Juli was established in the PRC as a limited partnership on June 10, 2019. As of the Latest Practicable Date, Beijing Sinotau Juli had 14 limited partners, including Ms. Tang (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 51.41% of the limited partnership interests in Beijing Sinotau Juli, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 34.49% of the limited partnership interests in Beijing Sinotau Juli, HUA Ning (花寧) (a director of our subsidiaries) holding approximately 1.80% of the limited partnership interests in Beijing Sinotau Juli, one former Director, and ten former and current employees of our Company. Save as Ms. Tang and Wang Peng, none of the other limited partners holds 30% or more interest in Beijing Sinotau Juli.

Beijing Sinotau Juxin

Beijing Sinotau Juxin was established in the PRC as a limited partnership on May 16, 2023. As of the Latest Practicable Date, Beijing Sinotau Juxin had five limited partners, including Ms. Tang (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 67.58% of the limited partnership interests in Beijing Sinotau Juxin, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 22.53% of the limited partnership interests in Beijing Sinotau Juxin, Yu Wenbin (虞文彬) (our executive Director) holding approximately 3.20% of the limited partnership interests in Beijing Sinotau Juxin and two current employees of our Company.

Beijing Sinotau Juhui

Beijing Sinotau Juhui was established in the PRC as a limited partnership on May 16, 2023. As of the Latest Practicable Date, Beijing Sinotau Juhui had 34 limited partners, including XU Bailing (許百靈) (a director of our subsidiary) holding approximately 6.29% of the limited partnership interests in Beijing Sinotau Juhui, LI Guangyao (李光耀) (a director of our subsidiaries) holding approximately 3.15% of the limited partnership interests in Beijing Sinotau Juhui, HUA Ning (花寧) (a director of our subsidiaries) holding approximately 3.15% of the limited partnership interests in Beijing Sinotau Juhui, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 1.89% of the limited partnership interests in Beijing Sinotau Juhui, WANG Wenting (王文婷) (a supervisor of our subsidiaries) holding approximately 1.26% of the limited partnership interests in Beijing Sinotau Juhui, and 29 former and existing employees of our Company. None of the limited partners holds 30% or more interest in Beijing Sinotau Juhui.

Tianjin Sinotau Juneng

Tianjin Sinotau Juneng was established in the PRC as a limited partnership on April 19, 2021. As of the Latest Practicable Date, Tianjin Sinotau Juneng had 15 limited partners, including JIN Yun (金贇) (a director of our subsidiary and our vice general manager) holding approximately 33.98% of the limited partnership interests in Tianjin Sinotau Juneng, HUA Ning (花寧) (a director of our subsidiaries) holding approximately 9.95% of the limited partnership interests in Tianjin Sinotau Juneng, Ms. Tang (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 5.73% of the limited partnership interests in Tianjin Sinotau Juneng, Wang Peng (our executive Director and a member of the Single Largest Shareholders Group) holding approximately 4.75% of the limited partnership interests in Tianjin Sinotau Juneng, YU Wenbin (虞文彬) (our executive Director) holding approximately 2.57% of the limited partnership interests in Tianjin Sinotau Juneng, XU Bailing (許百靈) (a director of our subsidiary) holding approximately 2.26% of the limited partnership interests in Tianjin Sinotau Juneng, Liu Shuang (a member of the Single Largest Shareholders Group) holding approximately 1.64% of the limited partnership interests in Tianjin Sinotau Juneng and eight former and existing employees of our Company. Save for JIN Yun, none of the limited partners holds 30% or more interest in Tianjin Sinotau Juneng.

Tianjin Sinotau Juzhi

Tianjin Sinotau Juzhi was established in the PRC as a limited partnership on April 9, 2021. As of the Latest Practicable Date, Tianjin Sinotau Juzhi had 47 limited partners, including JI Jie (綦傑) (a director and supervisor of our subsidiaries) holding approximately 1.17% of the limited partnership interests in Tianjin Sinotau Juzhi, one former consultant and 45 former and existing employees of our Company. None of the limited partners holds 30% or more interest in Tianjin Sinotau Juzhi.

As of the Latest Practicable Date, the awards under the Employee Incentive Schemes have been fully granted and vested.

PRE-IPO INVESTMENTS

Overview

Our Company obtained several rounds of investments, including the Jan-2017 Capital Increase, Dec-2017 Capital Increase, Jul-2020 Capital Increase, Sep-2020 Capital Increase, Feb-2021 Capital Increase, Oct-2021 Capital Increase, Jun-2023 Capital Increases, Nov-2024 Capital Increase and Jan-2025 Capital Increase, from the Pre-IPO Investors through subscriptions for increased registered capital of our Company. In addition, some investors joined our Company by purchase of the registered capital or Shares of our Company from the then existing Shareholders. For further details, see the subsection headed "Corporate Development and Shareholding Changes of Our Group – Subsequent Capital Changes and Equity Transfers of Our Company" in this section. We raised approximately RMB2.9 billion in aggregate from the Pre-IPO Investments.

Principal Terms of the Pre-IPO Investments

The following table summarizes the key terms of the Pre-IPO Investments to our Company made by the Pre-IPO Investors:

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor	Registered capital/ Shares	Consideration	Cost per Share	Post-money valuation[2]	Discount/ (premium) to the Offer Price[1]
						(RMB)	*(RMB)* *(approximation)*	*(RMB)* *(approximation)*	*(RMB)* *(approximation)*	*(approximation)*
1.	Jan-2017 Capital Increase	Fund raising during the NEEQ listing period	September 26, 2016	October 22, 2016	37 individual investors and two corporate investors	4,479,997	130,009,666	29.02	1,030 million	47.51%
2.	Dec-2017 Capital Increase	Fund raising during the NEEQ listing period	May 5, 2017 July 10, 2017 September 7, 2017	June 8, 2017	Qiming Rongxin, Qiming Rongchuang and Huaqing Bencao	4,257,800	150,002,294	35.23	1,400 million	36.28%
3.	Jul-2020 Capital Increase	Subscription of registered share capital	April 13, 2020	June 5, 2020	Wuming Futian, Guoyao Zhongsheng, Hetang Innovation and Shengcheng Investment	2,833,648	150,000,000	52.94	1,300 million[3]	4.25%
4.	Sep-2020 Capital Increase	Subscription of registered share capital	July 22, 2020	September 11, 2020	Tongfu Fund and Guoke Dingzhi	2,455,830	130,000,000	52.94	1,430 million	4.25%
5.	Feb-2021 Capital Increase	Subscription of registered share capital	January 29, 2021	February 19, 2021	CICC Qide, Deyi Xinhua, Tianjin Panya, Longshen No. 6, Langma No. 36, Langma No. 33, Hetang Chuangxin and Yuanhui Ruize	4,968,117	320,000,000	64.41	2,060 million	(16.50)%
6.	Apr-2021 Share Transfers	Share transfer from existing shareholder	March 22, 2021 March 23, 2021	April 9, 2021	Yizhuang Investment and Hetang Innovation	448,510	26,000,000	57.97	N/A	(4.85)%
7.	Oct-2021 Capital Increase	Subscription of registered share capital	September 26, 2021	October 20, 2021	Jiequan Chengda, Nanjing Zhengkai, Tianjin Panya and Deyi Xinhua	3,980,013	320,000,000	80.40	3,019 million	(45.42)%
8.	First Jun-2023 Capital Increase	Subscription of registered share capital	June 9, 2023	June 26, 2023	China Structural Reform Fund II, Guotou Guangdong, Genertec VC Company, Tongzi Zhongzhi, Zhongshan Jintou, Wuhan Lide, Boyu Kuntong, Boyu Kexing, Boyu Zhiyuan, Hetang Innovation, GF Qianhe, Jilin Xinsheng, Zhuxi Healthcare, Zhongshan Talent, Wuxi Shanghang, Nanjing Enjie VC, Jiaxing Yaojin, Zhizheng VC and Qingshi Zhenhe	7,799,791	685,260,000	87.86	4,173 million	(58.91)%
9.	Second Jun-2023 Capital Increase	Subscription of registered share capital	June 21, 2023	June 28, 2023	GoldStone New Material Fund, CITIC Securities, Wuxi Guolian, Jinyi Hongda, GF Qianhe, Jiequan Chengda and Rural Industry Fund	4,720,670	414,740,000	87.86	4,588 million	(58.91)%
10.	Jun-2023 Share Transfer	Share transfer from existing shareholder	June 26, 2023	July 7, 2023	Jiaxing Weixin and Chongqing Hetang	205,235	14,425,968	70.29	N/A	(27.13)%
						363,876	25,575,012.63	70.28	N/A	(27.11)%
11.	Oct-2024 Share Transfer	Share transfer from existing shareholder	October 10, 2024	October 23, 2024	Nanjing Zhengkai	232,881	17,049,218	73.21	N/A	(32.41)%
12.	Nov-2024 Capital Increase	Subscription of registered share capital	November 14, 2024	November 28, 2024	GoldStone New Material Fund and Pharmaceutical Fund	4,552,894	400,000,000	87.86	4,988 million	(58.91)%
13.	Dec-2024 Share Transfer	Share transfer from existing shareholder	December 16, 2024	December 19, 2024	Zhuhai Chunxiao	113,822	10,000,000	87.86	N/A	(58.91)%
14.	Jan-2025 Capital Increase	Subscription of registered share capital	December 30, 2024	December 30, 2024	Jiequan Chengda	2,276,447	200,000,000	87.86	5,188 million	(58.91)%
15.	Mar-2025 Share Transfer	Share transfer from existing shareholder	February 6, 2025	March 10, 2025	Jiaxing Yaotong	420,594	26,976,000	64.14	N/A	(16.01)%
16.	First May-2025 Share Transfer	Share Transfer from existing shareholder	May 12, 2025	May 15, 2025	Wuxi Shanghang	90,949	6,392,805.21	70.29	N/A	(27.13)%
17.	Second May-2025 Share Transfer	Share Transfer from existing shareholder	May 22, 2025	May 23, 2025	Maotai GoldStone Fund	717,397	49,999,965.62	70.29 65.90[4]	N/A	(27.13)% (19.19)%

Notes:

(1) Assuming the Offer Price is HK$60.0 per Share (being the mid-point of the indicative Offer Price range as stated in this prospectus) and the indicative exchange rate is RMB1.00 = HK$1.0852. The discount/(premium) to the Offer Price is calculated based on the cost per Share, converted into Hong Kong dollars at the aforesaid exchange rate, as compared with the assumed Offer Price.

(2) The post-money valuation is calculated on the basis of (a) cost per Share; and (b) the total number of Shares of our Company upon completion of the relevant Pre-IPO Investment.

(3) The decrease of our post-money valuation was due to Division and capital reduction completed in December 2019, for details, see paragraph headed "Corporate Development and Shareholding Changes of Our Group – Subsequent Capital Changes and Equity Transfers of Our Company – 8. Division and Capital Reduction in December 2019" in this section.

(4) Each of Qiming Rongxin, Qiming Rongchuang transferred the relevant Shares to Maotai GoldStone Fund at the consideration of RMB70.29 per Share, which is the same as the consideration of the First May-2025 Share Transfer. Huaqing Bencao transferred the relevant Shares to Maotai GoldStone Fund at the consideration of RMB65.90 per Share. The relevant consideration were determined among the relevant Shareholders as commercial negotiation results.

(5) Since the completion of the Jan-2025 Capital Increase, our Group has achieved further progress in its product pipeline development and commercialization. In particular, (i) the NDA for XTR008 was accepted in April 2025, and its Phase III clinical trial for a new indication commenced in June 2026; (ii) XTR004 and XTR015 commenced their respective Phase III clinical trials in November 2025 and March 2026, while XTR003 commenced its Phase IIb clinical trial in December 2025; (iii) XTR006 continued its Phase III clinical development, while MK-6240 (XTR006) received FDA approval in August 2026; (iv) the ANDAs for XTR012 and XTR020 were accepted in February 2025 and April 2026, respectively, and XTR021 received IND approval in June 2026; and (v) we commenced commercial sales of XTR005 (Ouweining®) in early 2025 and gradually expanded its market coverage in China. For further details, see "Business."

Basis of determination of the valuation and consideration	The valuation and consideration for each round of the Pre-IPO Investments were determined based on arm's length negotiations between our Company and the Pre-IPO Investors after taking into consideration the timing of the investments and the business, operations and status of our business and operating entities. The valuation of the Company upon Listing will decrease compared with the last round of the Pre-IPO Investments, primarily due to changes in prevailing market conditions, including capital market fluctuations, broader macroeconomic uncertainties and shifts in investor sentiment. Based on the mid-point of the indicative Offer Price range, the valuation of our Company upon Listing will be approximately RMB3.37 billion, representing a decrease of approximately 35.1% from the post-money valuation of approximately RMB5.19 billion of the last round of the Pre-IPO Investments. In particular, the Hong Kong biotechnology sector has experienced significant market volatility amid uncertainties in the broader economic environment. According to publicly available data, the Hang Seng Stock Connect Innovative Drug Index declined by approximately 18.3% from its high of 3,147.92 points on September 30, 2026 to a closing level of 2,572.69 points on November 3, 2026. The Hong Kong IPO market for healthcare companies also remained relatively subdued in the third quarter of 2026, with certain newly listed companies trading below their respective offer prices following their listings. Meanwhile, following three interest rate cuts in the second half of 2025, the U.S. Federal Reserve raised its target interest rate range by 25 basis points to 3.75%–4.00% in September 2026, while the yield on the 10-year U.S. Treasury note reached 4.94% as of October 31, 2026. These developments have contributed to greater caution among investors and more conservative valuation expectations, a trend that became particularly pronounced in October 2026, particularly for biotech companies characterized by lengthy development cycles, substantial capital requirements and uncertainties surrounding future commercialization. Accordingly, potential investors are expected to place greater emphasis on the timing and certainty of future cash flows and commercial returns when assessing the valuations of such companies. Our Directors are of the view, and the Joint Sponsors concur, that the decrease in valuation was primarily attributable to prevailing market conditions and confirm that there has been no material adverse change in our Group's business operations since the completion of the last round of the Pre-IPO Investments and up to the Latest Practicable Date.
Lock-up period	Pursuant to the applicable PRC law, all existing Shareholders (including the Pre-IPO Investors) could not dispose of any of the Shares held by them within 12 months following the Listing Date.
Use of proceeds from the Pre-IPO Investments	We utilized the proceeds from the Pre-IPO Investments for the principal business of our Company, including but not limited to the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately 92.28% of the net proceeds from the Pre-IPO Investments paid to our Company had been utilized.
Strategic benefits to our Company brought by the Pre-IPO Investors	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the additional funds provided by the Pre-IPO Investors' investments in our Company and the knowledge and experience of the Pre-IPO Investors.

Pre-IPO Investors' Rights

Several Pre-IPO Investors have been granted certain special rights, including, among others, redemption rights, pre-emptive rights, right of first refusal and co-sale, anti-dilution right, drag-along right, liquidation preference and most favorable treatment rights. Pursuant to the termination agreement dated May 22, 2025 entered into and among relevant Shareholders and the Company, (i) the redemption rights shall be terminated one day before the date of the filing of the Company's listing application to the Stock Exchange, the redemption rights shall resume to be exercisable if (a) the listing application was withdrawn, rejected or not re-filed within six months after its lapse, or (b) the Listing did not take place within 18 months after submission of the listing application or by December 31, 2026, whichever is earlier; and (ii) apart from the above, all other special rights the Pre-IPO Investors were entitled to will be terminated upon the Listing of the Company.

Information about the Pre-IPO Investors

Among our Pre-IPO Investors, each of Jiequan Chengda, GoldStone New Material Fund and Pharmaceutical Fund is a Sophisticated Investor who has made meaningful investment in our Group in accordance with Chapter 2.3 of the Guide. Jiequan Chengda has made meaningful investment to us since October 12, 2021, GoldStone New Material Fund has made meaningful investment to us since June 28, 2023, and Pharmaceutical Fund has made meaningful investment to us since November 28, 2024. Therefore, each of them has made meaningful investment to us at least six months before the Listing Date. Immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised, Jiequan Chengda, GoldStone New Material Fund and Pharmaceutical Fund will be interested in approximately 9.02%, 6.94% and 3.47% of the total issued share capital of our Company, respectively, representing approximately 19.43% in aggregate. The background information of our existing principal Pre-IPO Investors which individually or collectively hold more than 1.00% of our total issued Shares as of the Latest Practicable Date is set out below.

Jiequan Chengda

Jiequan Chengda is a limited partnership established under the laws of the PRC. The general partner and manager of Jiequan Chengda is China Life (Jiangsu) Private Equity Investment Co., Ltd. (國壽(江蘇)股權投資有限公司), an indirect wholly owned subsidiary of China Life Insurance (Group) Co., Ltd (中國人壽保險(集團)公司). China Life Insurance Company Limited (中國人壽保險股份有限公司) ("**China Life Insurance**") is the largest limited partner of Jiequan Chengda and holds 60% of the interests therein. China Life Insurance is a company listed on the Shanghai Stock Exchange (stock code: 601628) and the Hong Kong Stock Exchange (stock code: 2628.HK). Jiangsu Provincial Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)), which is controlled by the Department of Finance of Jiangsu Province (江蘇省財政廳), is the second-largest limited partner of Jiequan Chengda and holds a 30% partnership interests therein. None of the other limited partners holds a partnership interest of 30% or more. Each limited partner of Jiequan Chengda is an Independent Third Party. As at the Latest Practicable Date, Jiequan Chengda held approximately 10.02% of the total issued shares of the Company.

The manager of Jiequan Chengda has an investment decision-making team with extensive experience and in-depth industry knowledge, particularly in the biotech sector. Its core team members have backgrounds in both industry and finance, with an average of over 12 years of relevant experience, and more than 90% hold master's or doctoral degrees. Apart from investment in our Company, Jiequan Chengda made investments in other biotech companies, including Imunopharm Technology Co., Ltd. (藝妙神州醫藥科技有限公司), Beijing Life Biosciences Co., Ltd. (北京靈賦生物科技有限公司), Innovent Biologics, Inc. (信達生物製藥) (a company listed on the Stock Exchange, stock code: 1801), JD Health International Inc. (京東健康股份有限公司) (a company listed on the Stock Exchange, stock code: 6618), HBM Holdings Limited (和鉑醫藥控股有限公司) (a company listed on the Stock Exchange, stock code: 2142), Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司) (a company listed on the Stock Exchange, stock code: 2315), Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司) (a company listed on the Stock Exchange, stock code: 9877), XtalPi Holdings Limited (晶泰控股有限公司) (a company listed on the Stock Exchange, stock code: 2228), and Metis TechBio Co., Ltd. (劑泰科技(北京)股份有限公司) (a company listed on the Stock Exchange, stock code: 7666). As of June 30, 2026, the scale of assets under management of Jiequan Chengda is approximately RMB5 billion.

GoldStone New Material Fund

GoldStone New Material Fund is a limited partnership established under the laws of PRC, the general partner of which was CITIC GoldStone Investment Co., Ltd. (中信金石投資有限公司) ("**GoldStone Investment**"), which is a wholly-owned subsidiary of CITIC Securities Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 6030). Among the limited partners of

GoldStone New Material Fund, National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司) ("**Transformation Fund Company**") holds approximately 80.36% interests therein. Transformation Fund Company is a private equity fund established by 20 shareholders, including but not limited to the Ministry of Finance of the PRC, as its largest shareholder and China Development Bank Financial Group Co., Ltd. (國開金融有限責任公司). Each of the rest of the limited partners of GoldStone New Material Fund is an Independent Third Party which holds less than 30% of the interests therein. GoldStone New Material Fund is an investment vehicle of GoldStone Investment, which has a dedicated investment and research team specializing in the biotech sector and has made investment in biotech companies, including but not limited to Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司) (a company listed on the Stock Exchange, stock code: 3759), Shanghai United Imaging Healthcare Co., Ltd. (上海聯影醫療科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688271) and MGI Tech Co., Ltd. (深圳華大智造科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688114), Huzhou Shenke Biotechnology Co., Ltd. (湖州申科生物技術股份有限公司) and Yiming (Beijing) Cell Biotechnology Co., Ltd. (宜明(北京)細胞生物科技有限公司). As of June 30, 2026, the scale of assets under management of GoldStone New Material Fund amounted to approximately RMB20.0 billion.

The investment professionals of GoldStone Investment responsible for making and managing the investment in the Company through GoldStone New Material Fund (the "**GoldStone Investment Team**") were not members of, and acted independently from, the sponsor team of CITIC Securities and its subsidiaries (including CITIC Securities (Hong Kong) Limited, the Joint Sponsor) (the "**Sponsor Team**") involved in the listing of the Company on the Stock Exchange. GoldStone Investment, as a wholly-owned subsidiary of CITIC Securities, is subject to the information barrier policies and procedures (commonly known as "Chinese Wall" arrangements) established by CITIC Securities in accordance with its internal compliance policies and applicable PRC securities laws and regulations. Pursuant to such arrangements, no confidential information relating to the listing application or the Global Offering was shared with the GoldStone Investment Team, and the GoldStone Investment Team did not have access to any such information at any time during the listing process. The GoldStone Investment Team reports through a separate management chain within GoldStone Investment that is distinct from the management or reporting structure of the investment banking or sponsor functions of CITIC Securities or the Sponsor Team. The investment decision to invest in the Company through GoldStone New Material Fund was made independently by the GoldStone Investment Team through GoldStone Investment's own internal investment review and decision-making process, without influence from or involvement by the Sponsor Team.

Pharmaceutical Fund

Pharmaceutical Fund is a limited partnership established under the laws of PRC, the general partners of which were Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) ("**Beijing Jingguoguan**") and Beijing Kangshida Management Consulting Co., Ltd. (北京康士達管理諮詢有限公司) ("**Beijing Kangshida**"). Beijing State-owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司), which is wholly-owned by State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (北京市人民政府國有資產監督管理委員會), holds 100% of the equity interests of Beijing Jingguoguan. Beijing Kangshida is wholly-owned by Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司), which is ultimately controlled by FU Wei (傅唯). Among the limited partners of Pharmaceutical Fund, Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)), which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (北京市人民政府國有資產監督管理委員會), holds approximately 99% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein.

Pharmaceutical Fund has an experienced investment decision-making team specializing in the biotechnology sector. The team includes Mr. Zhang Xiaofan, who has extensive experience in the investment in and incubation of pharmaceutical and biotechnology companies across China and the United States, including leading the incubation of Everest Medicines Limited (a company listed on the Stock Exchange, stock code: 1952), where he subsequently served as chief operating officer. Pharmaceutical Fund made investment in other biotech companies, including but not limited to Beijing Dingou Biopharmaceutical Co., Ltd. (北京鼎甌生物醫藥有限責任公司), Beijing Puqi Pharmaceutical Technology Co., Ltd. (北京普祺醫藥科技股份有限公司), Beijing Wuhe Bo'ao Pharmaceutical Industry Co., Ltd. (北京五和博澳藥業股份有限公司) and Beijing Avistone Biotechnology Co., Ltd. (北京鞍石生物科技股份有限公司). As of June 30, 2026, the scales of assets under management of Pharmaceutical Fund amounted to approximately RMB6.36 billion.

Tongfu Fund

Tongfu Fund is an industrial investment fund mainly focusing on nuclear technology applications, which is managed by China Nuclear Industrial Funds Management Co., Ltd. (中核產業基金管理有限公司). The general partner of Tongfu Fund is Beijing Tongchuang Gaoke Investment Partnership (Limited Partnership) (北京同創高科投資合夥企業(有限合夥)), whose general partner is China Nuclear Industrial Funds Management Co., Ltd. (中核產業基金管理有限公司), which holds approximately 58.8% of the partnership interests therein. None of its limited partners holds 30% or more of the partnership interests therein. Tongfu Fund was established by China Isotope & Radiation Corporation (中國同輻股份有限公司) (a company whose shares are listed on the Stock Exchange, stock code: 1763) and China National Nuclear Corporation Capital Holdings Co., Ltd. (中國核工業集團資本控股有限公司) as cornerstone investors, together with Beijing Science and Technology Innovation Fund (北京市科技創新基金), Beijing Daxing Development Guidance Fund (北京市大興發展引導基金) and a fund with a government background. China Isotope & Radiation Corporation is the only limited partner of Tongfu Fund that holds 30% or more of its partnership interests, and none of the other limited partners holds 30% or more of its partnership interests. Among the limited partners of Tongfu Fund, China Isotope & Radiation Corporation (中國同輻股份有限公司), which is ultimately controlled by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) ("**State Council SASAC**") holds approximately 42.22% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Its investment areas include: nuclide manufacturing, radioactive sources, nuclear medicine, other diagnostic and therapeutic drugs in the field of nuclear medicine application, medical devices, *in vitro* diagnostics, medical services, industrial irradiation applications, etc.

Tongfu Fund has a dedicated investment and research team specializing in innovative radiopharmaceuticals. The team includes Mr. Zhong Xinghua, who has extensive experience in the healthcare, pharmaceutical and biotechnology sectors, including serving as a partner of Bio Healthy Capital and holding senior management positions at various hospitals and pharmaceutical companies. Mr. Zhong previously served as an associate chief physician in hepatobiliary surgery and holds an MBA from the University of Poitiers in France. Apart from the investment in our Company, Tongfu Fund has invested in other biotech companies, including but not limited to Chengdu New Radiomedicine Technology Co., Ltd. (成都紐瑞特醫療科技股份有限公司), Jiaxing Pharmadax Genesis Pharmaceutical Technology Co., Ltd. (嘉興法伯新天醫藥科技有限公司), Hexin (Suzhou) Pharmaceutical Technology Co., Ltd. (核欣(蘇州)醫藥科技有限公司) and Shanghai Atom Kexing Pharmaceutical Co., Ltd. (上海原子科興藥業有限公司). As of June 30, 2026, the scale of assets under management of Tongfu Fund is approximately RMB1.137 billion.

Maotai GoldStone Fund

Maotai GoldStone Fund is a limited partnership established under the laws of PRC, the general partners of which were GoldStone Investment and Moutai (Guizhou) Private Equity Fund Management Co., Ltd. (茅台(貴州)私募基金管理有限公司) ("**Maotai Private Equity**"). Maotai Private Equity is owned by Guizhou Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) as to 80.10%, which is further owned by the State-owned Assets Supervision and Administration Commission of Guizhou Provincial People's Government (貴州省人民政府國有資產監督管理委員會) ("**SASAC Guizhou**") as to 90.00%. Among the limited partners of Maotai GoldStone Fund, Maotai GoldStone (Guizhou) Industrial Development Fund Limited Partnership (Limited Partnership) (茅台金石(貴州)產業發展基金合夥企業(有限合夥)) ("**Maotai GoldStone Industrial Fund**") holds approximately 79.9% interests therein. The sole limited partner of Maotai GoldStone Industrial Fund is Guizhou Maotai Co., Ltd. (貴州茅台酒股份有限公司) ("**Guizhou Maotai**") which holds approximately 90.74% partnership interests therein. The ultimate controller of Guizhou Maotai is the SASAC Guizhou. Each of the rest of the limited partners of Maotai GoldStone Fund is an Independent Third Party which holds less than 30% of the interests therein.

Although Maotai GoldStone Fund and GoldStone New Material Fund share a common general partner, namely GoldStone Investment, to the best of the Company's knowledge, the two funds are not under common control, as the investment and divestment decisions of Maotai GoldStone Fund and GoldStone New Material Fund are subject to their respective own investment committee and applicable approval mechanisms, under which certain principal limited partners are granted approval or oversight rights in respect of material investment and divestment matters. Accordingly, notwithstanding the common general partner, no single party is able to control the investment and divestment decisions of both funds. Therefore Maotai GoldStone Fund and GoldStone New Material Fund are not considered to be under common control.

Wuming Futian, Mingde Weixin No. 9, Wuming Boji, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin (together as "Wuming Investment")

Each of Wuming Futian, Mingde Weixin No. 9, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is a limited liability partnership established in the PRC whose general partner is Shenzhen Wuming Investment Management Co., Ltd. (深圳物明投資管理有限公司) ("**Shenzhen Wuming Investment**"), a company which is ultimately controlled by Dr. Zhang, our non-executive Director. The general partner of Wuming Boji is Shenzhen Wuming Boji Private Equity Investment Management Partnership (Limited Partnership) (深圳市物明博濟私募股權投資管理合夥企業(有限合夥)) ("**Shenzhen Wuming Boji**"), whose general partner is Shenzhen Wuming Investment. Each of Wuming Futian, Mingde Weixin No. 9, Wuming Boji, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is an investment vehicle Shenzhen Wuming Investment focusing on healthcare industry, respectively. Among the limited partners of Wuming Futian, Shenzhen Gewu Zhizhi No. 3 Investment Enterprise (Limited Partnership) (深圳格物致知三號投資企業(有限合夥)), which is ultimately controlled by Dr. Zhang, holds approximately 39.43% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Among the limited partners of Mingde Weixin No. 9, Shenzhen Wuming Boji, which is ultimately controlled by Dr. Zhang, holds approximately 37.11% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Among the limited partners of Wuming Boji, Shanghai Caitong Asset Management Co., Ltd. (上海財通資產管理有限公司), which is ultimately controlled by Caitong Fund Management Co., Ltd. (財通基金管理有限公司), holds approximately 86.67% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Among the limited partners of Mingde Weixin No. 1, DU Huimei (杜會梅) holds approximately 31.87% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Among the limited partners of Mingde Weixin No. 7, WANG Yafang (王亞芳) holds approximately 71.43% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. None of the limited partners of Jiaxing Weixin holds 30% or more of the interests therein. The investments made by Shenzhen Wuming Investment in biotech and healthcare industries mainly focuses on areas of innovative drugs, high-end medical devices, CRO services and etc. Apart from the investment in our Company, Shenzhen Wuming Investment has invested in other biotech companies, including but not limited to Shenzhen Mindray Bio-Medical Electronics Co., Ltd. (深圳邁瑞生物醫療電子股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300760), Chengdu Pusch Pharmaceutical Co., Ltd. (成都普什製藥有限公司), Hangzhou Diagens Biotechnology Co., Ltd. (杭州德適生物科技股份有限公司) and Travention Medical Technology (Guangzhou) Co., Ltd. (適介醫療科技(廣州)有限公司). The scale of assets under management of Shenzhen Wuming Investment amounted to approximately RMB1,998 million.

CICC Qide

CICC Qide is a limited partnership incorporated under the laws of PRC on October 10, 2019, focusing on world-leading innovative medicines and biotechnologies and other related businesses. CICC Qide had 30 limited partners, each an Independent Third Parties as of the Latest Practicable Date who are private investors and institutional investors and none of the limited partners has 30% or more of the limited partnership interests. The general partner of CICC Qide which held 1.09% partnership interests of CICC Qide is CICC Capital Management Co., Ltd. ("**CICC Capital Management**"), an Independent Third Party.

CICC Capital Management is a wholly-owned subsidiary of China International Capital Corporation Limited, a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995) and principally engaged in investment banking business, equities business, fixed-income, commodities and currency business, asset management business, private equity business, wealth management business and other business activities.

Hetang Innovation and Chongqing Hetang

Both Hetang Innovation and Chongqing Hetang are funds managed by Lotus Lake Venture Capital Management (Beijing) Co., Ltd. (荷塘創業投資管理(北京)有限公司) ("**Lotus Lake Capital**"), which is ultimately controlled by YANG Hongru (楊宏儒). Among the limited partners of Hetang Innovation, Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)), which is controlled by Central Huijin Investment Ltd. (中央匯金投資有限責任公司), holds approximately 40% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Among the limited partners of Chongqing Hetang, Chongqing Liangjiang New Area Development Group Co., Ltd. (重慶兩江新區開發投資集團有限公司), which is wholly owned by the Chongqing Liangjiang New Area Administrative Committee (重慶兩江新區管理委員會), holds approximately 30% of the partnership interests therein; Chongqing Rongchang Industrial Development

Private Equity Investment Fund Partnership (Limited Partnership) (重慶榮昌產業發展私募股權投資基金合夥企業(有限合夥)), which is ultimately controlled by Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會) ("**Chongqing SASAC**"), holds approximately 30% of the partnership interests therein; and Chongqing Industrial Investment Fund of Funds Partnership (Limited Partnership) (重慶產業投資母基金合夥企業(有限合夥)), which is ultimately controlled by Chongqing SASAC, holds approximately 30% of the partnership interests therein. None of the remaining limited partners holds 30% or more of the partnership interests therein. Lotus Lake Capital is a venture capital fund management institution held by the Beijing Tsinghua Industrial R&D Institute (北京清華工業開發研究院). Lotus Lake Capital was established in 2013 during the process of building a technology transfer and innovation system by the Tsinghua University. It is one of the earliest institutions in China to systematically layout investment in the transformation of hard technologies from universities. Lotus Lake Capital takes supporting technological innovation as its core goal, focusing on early-stage and growth-stage enterprises with high barriers, core hard technologies, and original innovation capabilities in the fields of technology manufacturing and healthcare. Currently, Lotus Lake Capital manages nine funds with a total investment size of approximately RMB4 billion and has invested in over 90 projects.

China Structural Reform Fund II

China Structural Reform Fund II, a company incorporated in the PRC, is ultimately controlled by the State Council SASAC. China Chengtong Holdings Group Ltd. (中國誠通控股集團有限公司), a company controlled by SASAC, holds approximately 35.29% equity interests of China Structural Reform Fund II. None of the remaining shareholders of China Structural Reform Fund II holds 30% or more interests therein. CCT Fund Management Co., Ltd. (誠通基金管理有限公司), a wholly-owned subsidiary of China Chengtong Holdings Group Ltd., is the manager of China Structural Reform Fund II and is responsible for its fund management and general affairs. China Structural Reform Fund II is engaged in equity investment, investment management and asset management and other businesses with private equity funds.

Nanjing Zhengkai

Nanjing Zhengkai is a limited partnership established in the PRC. Its general partner is Beijing Zhengguan Business Service Co., Ltd. (北京鉦冠商務服務有限公司), which is wholly owned by Beijing Zhengjia Business Service Co., Ltd. (北京鉦嘉商務服務有限公司) ("**Beijing Zhengjia**"). Beijing Zhengjia is in turn wholly-owned by Beijing Centurium Management Advisory Co., Ltd. (北京大鉦管理諮詢有限公司) ("**Beijing Centurium**", together with the relevant funds advised/managed by it/its affiliate and the relevant investment vehicles such funds hold, "**Centurium Capital**"). Beijing Centurium is wholly-owned by Centurium Capital Management (HK) Ltd., which is indirectly wholly-owned by Li Hui (黎輝). The limited partner of Nanjing Zhengkai is Xiamen Dazheng Phase II Investment Fund Partnership (Limited Partnership) (廈門大鉦二期投資基金合夥企業(有限合夥)) ("**Xiamen Dazheng II**"), which holds approximately 99.99% of the interests therein. Xiamen Dazheng II has 9 limited partners, with the largest being Nanjing Jiangbei New Zone Centurium Phase II Venture Capital Partnership (Limited Partnership) (南京江北新區大鉦二期創業投資合夥企業(有限合夥)) ("**Nanjing Centurium Phase II VC**"), holding approximately 63.88% of the limited partnership interest. Nanjing Centurium Phase II VC has seven limited partners and none of which holds 30% or more interests in Nanjing Centurium Phase II VC, and the general partner of Nanjing Centurium Phase II VC is an entity indirectly controlled by Beijing Centurium. The general partner of Xiamen Dazheng II is Xiamen Centurium Enterprise Management Partnership (Limited Partnership) (廈門大鉦企業管理合夥企業(有限合夥)), which is indirectly controlled by Beijing Centurium. Nanjing Zhengkai serves as an investment vehicle of Centurium Capital. Centurium Capital is a private equity investment firm managing assets totaling several billions of U.S. Dollars. Centurium Capital focuses on investments in healthcare, technology, consumer and business services sectors. Biopharmaceutical is one of the key investment focuses of Centurium Capital in the healthcare sector.

Qiming Rongxin and Qiming Rongchuang

Each of Qiming Rongxin and Qiming Rongchuang is a limited partnership established in the PRC. Their general partner is Suzhou Industrial Park Qiming Rongsheng Equity Investment Management Partnership (Limited Partnership) (蘇州工業園區啟明融盛投資管理合夥企業(有限合夥)), which is ultimately controlled by HU Xubo (胡旭波) and YU Jia (于佳), each an Independent Third Party. None of the limited partners of Qiming Rongxin holds 30% or more interests therein. Among the limited partners of Qiming Rongchuang, Suzhou Industrial Park Guochuang Qiming Equity Investment Partnership (Limited Partnership) (蘇州工業園區國創啟明股權投資合夥企業(有限合夥)), in which no beneficial owner holds an interest of 30% or more, holds approximately 59.29% of the partnership interests; Wuhu Gefei Jingze Investment Center (Limited Partnership) (蕪湖歌斐景澤投資中心(有限合夥)), which is ultimately controlled by WANG Jingbo (汪靜波), holds approximately 39.53% of the interests therein.

Guotou Guangdong

Guotou Guangdong is a limited partnership established in the PRC. The general partner of Guotou Guangdong is SDIC (Guangdong) Venture Capital Management Co., Ltd. (國投(廣東)創業投資管理有限公司), which is held as to 91% by SDIC Venture Capital Co., Ltd., (國投創業投資管理有限公司) ("**SDICVC**"). As of the Latest Practicable Date, Guotou Guangdong had 15 limited partners and the interests held by the limited partners in Guotou Guangdong ranged from approximately 0.17% to 20.67%. As of the Latest Practicable Date, Guotou Guangdong had assets under management of approximately RMB15 billion. SDICVC is a leading professional venture fund management institution with a focus on biotech, digital information, advanced manufacturing and material energy sections and has invested in over 50 biotech companies, including but not limited to, RemeGen Co., Ltd. (榮昌生物製藥(煙台)股份有限公司) (9995.HK), Keymed Biosciences Inc. (康諾亞生物醫藥科技有限公司) (2162.HK), Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司) (2315.HK) and Yantai MabPlex International Biopharma Co., Ltd. (煙台邁百瑞國際生物醫藥股份有限公司).

Genertec VC Company

Genertec VC Company was established in 2012. It is a wholly state-owned venture capital enterprise of China General Technology Group (中國通用技術集團) and a private fund manager under General Technology Capital Company (通用技術集團資本公司), which is ultimately controlled by State Council SASAC. Genertec VC Company focuses on technological innovation and industrial empowerment, and has numerous successful cases of industrial investment and incubation in the fields of advanced manufacturing and medical health. The investment size of Genertec VC Company is over RMB4 billion.

Guoyao Zhongsheng and Shengcheng Investment

Guoyao Zhongsheng is a limited partnership established in the PRC and whose general partner is Shanghai Jianyi Private Equity Management Co., Ltd. (上海健壹私募基金管理有限公司) ("**Jianyi Private Equity**"), a company controlled by WU Aimin (吳愛民). The investments made by Jianyi Private Equity mainly focuses on healthcare industry. Shengcheng Investment is a limited partnership established in the PRC and whose general partner is WU Aimin (吳愛民). Shengcheng Investment is a private equity company focusing on biotech industry. None of the limited partners of Guoyao Zhongsheng holds 30% or more interests therein. Among the limited partners of Shengcheng Investment, WU Aimin holds approximately 58% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein.

Tianjin Panya

Tianjin Panya is a limited partnership established under the laws of PRC and whose general partner is Tianjin Yingya Equity Investment Fund Management Co., Ltd. (天津盈亞股權投資基金管理有限責任公司). Among the limited partners of Tianjin Panya, ZHANG Lihua (張麗華) holds approximately 91.60% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Tianjin Panya is a private equity company focusing on medical technology innovation and bio-pharmaceutical research and development. The investment size managed by it is over RMB294 million.

Jiaxing Yaotong and Jiaxing Yaojin

Each of Jiaxing Yaotong and Jiaxing Yaojin is a limited partnership established under the laws of PRC whose general partner is Beijing Chengming Private Equity Fund Management Co., Ltd. (北京成銘私募基金管理有限公司) ("**Chengming Private Equity Fund**"), which is ultimately controlled by LONG Xuewu (隆學武), an Independent Third Party. Among the limited partners of Jiaxing Yaotong, LIU Fengzhi (劉豐志) holds approximately 35.59% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Among the limited partners of Jiaxing Yaojin, LI Shuru (李樹儒) holds approximately 41.38% of the interests therein and none of the remaining limited partners holds 30% or more of the interests therein. Jiaxing Yaotong and Jiaxing Yaojin are investment vehicles for the purpose of investments in our Company. Chengming Private Equity Fund was established on July 23, 2020, with its office located in Xicheng District, Beijing. It is a registered fund manager with a registered capital of RMB20 million. With the mission of "industrial investment + industrial integration", Chengming Private Equity Fund mainly focuses on investments in strategic emerging industries such as life health, new energy, and new materials.

To the best knowledge and information of our Directors, the Pre-IPO Investors decided to invest in our Company due to their confidence in the prospects of our Company and potentials, and their investment reflects their financial and experiential support for the development of our Group. To the best knowledge of our Directors, save as disclosed above, all our Pre-IPO Investors and their ultimate beneficial owners are Independent Third Parties.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the considerations for the Pre-IPO Investments have been irrevocably settled no less than 120 clear days before the Listing Date, and (ii) the special rights granted to the Pre-IPO Investors have been or will be terminated as disclosed in "– Pre-IPO Investors' Rights" above, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with the Pre-IPO Investment Guidance in Chapter 4.2 of the Guide for New Listing Applicants.

MAJOR ACQUISITIONS, MERGERS AND DISPOSALS

For the purpose of developing overseas business through exploring opportunities of investing in research and development of radiopharmaceutical drug candidates, we entered into a share subscription agreement with Enigma Biomedical Group, Inc. ("**Enigma**"), an Independent Third Party, dated November 12, 2015, pursuant to which we ultimately acquired 16.53% of the equity interest in Enigma at the total consideration of US$0.75 million. Such consideration was determined with reference to Enigma's R&D capacity in radioactive diagnose tracer and its value of academic network connection in iconography and shall be paid by installments as agreed by parties. Such consideration was fully settled in July 2016. Enigma is a Toronto based company which enhances access to key technologies with a focus on molecular imaging and medicine.

On February 5, 2016, we, jointly with Enigma and other Independent Third Parties, established Cerveau with the purposes, among others, to carry out new drugs research and development globally. Cerveau is a Delaware-based company, which holds MK-6240 (also known as XTR006), a second-generation F 18-labeled positron emission tomography imaging agent that targets Tau tangles in Alzheimer's disease. At the time of its incorporation, we contributed US$172 and obtained 43% equity interests of Cerveau. Such consideration was fully settled in February 2016. After years of development, favorable commercial terms of acquisition of Cerveau were offered by Lantheus Medical Imaging, Inc., ("**Lantheus**"), a company whose shares are listed on NASDAQ (stock code: LNTH). On February 6, 2023, among others, we and Enigma (together as the "**Vendors**") and Cerveau entered into a share purchase agreement with Lantheus, pursuant to which our Group agreed to transfer our entire equity interests held in Cerveau of approximately 36% to Lantheus and Lantheus agreed to pay the Vendors a total consideration of (i) an upfront payment of US$35.0 million in February 2023 and an additional US$10.0 million in May 2023 upon the successful completion of a technology transfer. The technology transfer primarily relates the overseas assets and R&D results of MK-6240. For the avoidance of doubt, the technology transfer does not involve XTR006; (ii) additional development and commercial milestone payments; and (iii) double-digit royalty payments for research revenue and commercial sales. As of June 30, 2026, we have received an aggregated payment of approximately US$17.1 million. Upon completion of the disposal, we no longer held any equity interests in Cerveau. In July 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in Chinese Mainland. At the time of disposal of Cerveau, XTR006 was under Phase I clinical trial. In addition, Lantheus offered favorable commercial terms of acquisition which was considered to be a valuable deal by us and other shareholders. Such disposal did not impose any adverse impact or obstacles in the in-licensing arrangement of XTR006 under the XTR006 Agreement. Upon completion of the disposal of Cerveau and up to the Latest Practicable Date, there has been no material change to the XTR006 Agreement and there has been no material competition between our Company and Cerveau.

With the development of Enigma, we considered that it would be more consistent with our business development strategy and of optimized synergies with our business for us to invest in radiopharmaceuticals candidate research and development instead of the then diversified business of Enigma. After commercial negotiation with Enigma, as part of a packaged deal negotiated around the same period, Enigma agreed to repurchase all of our equity interests in Enigma for a consideration based on nominal value of the shares of Enigma, and we agreed to acquire equity interests in Meilleur, an affiliate company of Enigma which holds NAV-4694, an investigational F-18-PET imaging agent that targets beta amyloids in Alzheimer's disease, based on nominal value of the shares of Meilleur. Upon completion of above transactions in February 2023, we no longer held any equity interests in Enigma and held approximately 31.46% in Meilleur. Meilleur is a Delaware-based company, whose vision is to be the premier provider of imaging biomarkers for neurological pathologies, associated information technology and related tools to accelerate the development, approval, and adoption of effective therapies to treat neurodegenerative diseases.

On June 18, 2024, we, other shareholders of Meilleur (together as the "**Meilleur Shareholders**") and Lantheus entered into a share purchase agreement, pursuant to which, we agreed to transfer all of our approximately 29.45% equity interests then held in Meilleur to Lantheus and Lantheus agreed to pay the Meilleur Shareholders a total consideration of (i) an upfront payment of US$32.9 million and an additional US$10.0 million payment in August 2024 after the successful completion of a technology transfer. The technology transfer primarily relates to the overseas assets and R&D results of NAV-4694; (ii) additional milestone payments upon achievement of specified U.S. regulatory milestones related to NAV-4694; (iii)

double-digit milestone payments upon achievement of specified annual commercial sales; and (iv) double-digit royalty payments for research revenue and commercial sales. As of June 30, 2026, we have received an aggregated payment of approximately US$10.4 million. Upon completion of the disposal, we no longer held any equity interests in Meilleur.

Save as disclosed above and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers or disposals.

COMPLIANCE WITH LAWS AND REGULATIONS

As advised by our PRC Legal Advisors, our Company and onshore subsidiaries have obtained the requisite government approvals or filings in all material respects, as applicable, in accordance with the relevant laws and regulations in respect of the establishment, changes in registered capital, joint stock conversion and transfers of equity interests.

FULL CIRCULATION

Our Company has applied for H-share full circulation to convert certain of the Unlisted Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 34,466,214 Unlisted Shares held by 95 existing Shareholders, representing approximately 52.53% of total issued Share capital of our Company upon the completion of the conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Over-allotment Option are not exercised). Save as disclosed in this prospectus and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares. See "Share Capital" in this prospectus for further details.

PUBLIC FLOAT

24,582,400 Unlisted Shares, representing approximately 37.47% of our total issued Shares upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares. Among the 34,466,214 H Shares to be converted from Unlisted Shares pursuant to the H-share full circulation of our Company and the Listing on the Stock Exchange:

(i) 11,482,769 H Shares to be converted from Unlisted Shares held by (i) the AIC Parties and the Employee Shareholding Platforms; (ii) Zhang Yingjie and his controlled corporations, i.e. Wuming Futian, Mingde Weixin No. 1, Mingde Weixin No. 7, Mingde Weixin No. 9, Wuming Boji and Jiaxing Weixin; (iii) Guotou Guangdong, a substantial shareholder of our subsidiary; and (iv) LIU Rui (劉瑞), a supervisor of our subsidiary, representing approximately 17.50% of our total issued Shares upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as such Shares are being held or controlled by the core connected persons of our Company; and

(ii) 22,983,445 H Shares to be converted from Unlisted Shares, representing approximately 35.03% of our total issued Shares upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as these entities are not held or controlled by the core connected persons of our Company upon the Listing nor are they accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

To the best knowledge of our Directors, save as disclosed above, immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the conversion of Unlisted Shares into H Shares, an aggregate of 29,544,445 H Shares, representing approximately 45.03% of our total issued Shares will be counted towards the public float. Based on the Offer Price range of HK$52.0, HK$60.0 and HK$68.0 per H Share, the expected market value of the class of shares to which H Shares belong upon Listing will be approximately HK$3.41 billion, HK$3.94 billion and HK$4.46 billion, respectively, each of which does not exceed HK$6,000,000,000. Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum number of H Shares to be held by the public at the time of Listing shall be at least 25% of the total share capital of our Company. As such, our Company will be able to meet the applicable minimum public float requirement under Rule 8.08 of the Listing Rules, as modified by Rule 19A.13A of the Listing Rules.

FREE FLOAT

As the Shares held by our existing Shareholders are subject to a lock-up period of 12 months from the Listing Date, H Shares held by them upon Listing should not be counted towards the free float of the H Shares of our Company at the time of Listing. Based on the minimum Offer Price of HK$52.0 per H Share, our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the Listing Date (assuming the Over-Allotment Option is not exercised):

	As of the Latest Practicable Date			Immediately upon completion of the Global Offering		
Name of Shareholders	**No. of Shares**	**Description of Shares**	**Approximate ownership percentage**	**No. of H Shares**	**No. of Unlisted Shares**	**Approximate Ownership percentage[10]**
AIC Parties and Employee Shareholding Platforms[1]						
Mr. Xu	6,686,142	Unlisted Shares	11.32%	3,343,071	3,343,071	10.19%
Xue Fei	1,453,183	Unlisted Shares	2.46%	726,592	726,591	2.21%
Chu Wei	1,157,318	Unlisted Shares	1.96%	578,659	578,659	1.76%
Liu Shuang	868,378	Unlisted Shares	1.47%	434,189	434,189	1.32%
Ms. Tang	740,032	Unlisted Shares	1.25%	370,016	370,016	1.13%
Qi Hui	268,700	Unlisted Shares	0.46%	134,350	134,350	0.41%
Wang Peng	188,316	Unlisted Shares	0.32%	94,158	94,158	0.29%
Beijing Sinotau Juxin	1,775,726	Unlisted Shares	3.01%	887,863	887,863	2.71%
Beijing Sinotau Juli	864,054	Unlisted Shares	1.46%	432,027	432,027	1.32%
Tianjin Sinotau Juzhi	799,557	Unlisted Shares	1.35%	399,779	399,778	1.22%
Tianjin Sinotau Juneng	799,556	Unlisted Shares	1.35%	399,779	399,777	1.22%
Beijing Sinotau Juhui	361,711	Unlisted Shares	0.61%	180,856	180,855	0.55%
Sub-total	**15,962,673**	**–**	**27.02%**	**7,981,339**	**7,981,334**	**24.33%**
Pre-IPO Investors						
Wuming Investment and Dr. Zhang Yingjie[2]						
Zhang Yingjie	936,934	Unlisted Shares	1.59%	468,467	468,467	1.43%
Wuming Futian	1,133,459	Unlisted Shares	1.92%	566,730	566,729	1.73%
Mingde Weixin No. 9	964,114	Unlisted Shares	1.63%	964,114	–	1.47%
Wuming Boji	725,634	Unlisted Shares	1.23%	725,634	–	1.11%
Mingde Weixin No. 1	262,268	Unlisted Shares	0.44%	262,268	–	0.40%
Mingde Weixin No. 7	230,470	Unlisted Shares	0.39%	230,470	–	0.35%
Jiaxing Weixin	205,235	Unlisted Shares	0.35%	102,618	102,617	0.31%
Sub-total	**4,458,114**	**–**	**7.55%**	**3,320,301**	**1,137,813**	**6.79%**
Jiequan Chengda	5,918,762	Unlisted Shares	10.02%	2,959,381	2,959,381	9.02%
GoldStone New Material Fund	4,552,894	Unlisted Shares	7.71%	2,276,447	2,276,447	6.94%
Maotai GoldStone Fund	717,397	Unlisted Shares	1.21%	358,699	358,698	1.09%
CICC Qide	2,328,804	Unlisted Shares	3.94%	1,164,402	1,164,402	3.55%
Pharmaceutical Fund	2,276,447	Unlisted Shares	3.86%	1,138,224	1,138,223	3.47%
Hetang Innovation and Chongqing Hetang[3]						
Hetang Innovation	1,605,144	Unlisted Shares	2.72%	802,572	802,572	2.45%
Chongqing Hetang	363,876	Unlisted Shares	0.62%	181,938	181,938	0.55%
Sub-total	**1,969,020**	**–**	**3.34%**	**984,510**	**984,510**	**3.00%**
Tongfu Fund	1,889,100	Unlisted Shares	3.20%	944,550	944,550	2.88%
China Structural Reform Fund II	1,707,335	Unlisted Shares	2.89%	1,707,335	–	2.60%
Nanjing Zhengkai	1,598,749	Unlisted Shares	2.71%	1,598,749	–	2.44%
Qiming Rongxin and Qiming Rongchuang[4]						
Qiming Rongxin	1,151,442	Unlisted Shares	1.95%	575,721	575,721	1.75%
Qiming Rongchuang	270,092	Unlisted Shares	0.46%	135,046	135,046	0.41%
Sub-total	**1,421,534**	**–**	**2.41%**	**710,767**	**710,767**	**2.17%**
Guotou Guangdong	1,138,223	Unlisted Shares	1.93%	–	1,138,223	1.73%
Genertec VC Company	1,138,223	Unlisted Shares	1.93%	–	1,138,223	1.73%
Guoyao Zhongsheng and Shengcheng Investment[5]						
Guoyao Zhongsheng	1,124,463	Unlisted Shares	1.90%	562,232	562,231	1.71%
Shengcheng Investment	8,996	Unlisted Shares	0.02%	4,498	4,498	0.01%
Sub-total	**1,133,459**	**–**	**1.92%**	**566,730**	**566,729**	**1.73%**
Wuxi Guolian and Wuxi Shanghang[6]						
Wuxi Guolian	569,112	Unlisted Shares	0.96%	284,556	284,556	0.87%
Wuxi Shanghang	432,416	Unlisted Shares	0.73%	432,416	–	0.66%
Sub-total	**1,001,528**	**–**	**1.69%**	**716,972**	**284,556**	**1.53%**
Tianjin Panya	784,920	Unlisted Shares	1.33%	784,920	–	1.20%
Jiaxing Yaotong and Jiaxing Yaojin[7]						
Jiaxing Yaotong	420,594	Unlisted Shares	0.71%	126,178	294,416	0.64%
Jiaxing Yaojin	310,280	Unlisted Shares	0.53%	155,140	155,140	0.47%
Sub-total	**730,874**	**–**	**1.24%**	**281,318**	**449,556**	**1.11%**
Deyi Xinhua	575,030	Unlisted Shares	0.97%	575,030	–	0.88%
CITIC Securities	569,112	Unlisted Shares	0.96%	569,112	–	0.87%
Guoke Dingzhi	566,730	Unlisted Shares	0.96%	566,730	–	0.86%
Jilin Xinsheng	512,201	Unlisted Shares	0.87%	512,201	–	0.78%
GF Qianhe	498,770	Unlisted Shares	0.84%	349,139	149,631	0.76%
Li Jianxin	484,048	Unlisted Shares	0.82%	484,048	–	0.74%
Longshen No. 6	465,761	Unlisted Shares	0.79%	465,761	–	0.71%

	As of the Latest Practicable Date			Immediately upon completion of the Global Offering		
Name of Shareholders	**No. of Shares**	**Description of Shares**	**Approximate ownership percentage**	**No. of H Shares**	**No. of Unlisted Shares**	**Approximate Ownership percentage[10]**
Zhuxi Healthcare and Zhongshan Talent[8]						
Zhuxi Healthcare	341,467	Unlisted Shares	0.58%	–	341,467	0.52%
Zhongshan Talent	227,645	Unlisted Shares	0.39%	–	227,645	0.35%
Sub-total	**569,112**	**–**	**0.97%**	**–**	**569,112**	**0.87%**
Qingshi Zhenhe	318,703	Unlisted Shares	0.54%	318,703	–	0.49%
Cheng Haowen	287,190	Unlisted Shares	0.49%	287,190	–	0.44%
Zhizheng VC	273,174	Unlisted Shares	0.46%	273,174	–	0.42%
Liu Rui	241,505	Unlisted Shares	0.41%	181,129	60,376	0.37%
Langma No. 36	232,880	Unlisted Shares	0.39%	232,880	–	0.35%
Nanjing Enjie VC	227,645	Unlisted Shares	0.39%	227,645	–	0.35%
Zhongshan Jintou	227,645	Unlisted Shares	0.39%	227,645	–	0.35%
Rural Industry Fund	227,645	Unlisted Shares	0.39%	227,645	–	0.35%
Wanlong Investment	226,237	Unlisted Shares	0.38%	226,237	–	0.34%
Jiangsu Wangao	188,910	Unlisted Shares	0.32%	188,910	–	0.29%
Zou Xianghong	169,477	Unlisted Shares	0.29%	84,800	84,677	0.26%
Mu Tianzhi	169,477	Unlisted Shares	0.29%	84,500	84,977	0.26%
Yuanhui Ruize	155,254	Unlisted Shares	0.26%	55,254	100,000	0.24%
Mao Ruijuan	147,445	Unlisted Shares	0.25%	147,445	–	0.22%
Zhang Di'ou	135,582	Unlisted Shares	0.23%	135,582	–	0.21%
Boyu Zhiyuan, Boyu Kuntong and Boyu Kexing[9]						
Boyu Zhiyuan	117,920	Unlisted Shares	0.20%	58,960	58,960	0.18%
Boyu Kuntong	114,619	Unlisted Shares	0.19%	57,310	57,309	0.17%
Boyu Kexing	108,928	Unlisted Shares	0.18%	54,464	54,464	0.17%
Sub-total	**341,467**	**–**	**0.57%**	**170,734**	**170,733**	**0.52%**
Zhuhai Chunxiao	113,822	Unlisted Shares	0.19%	56,911	56,911	0.17%
Yizhuang Investment	103,502	Unlisted Shares	0.18%	103,502	–	0.16%
LI Yinqiang (李銀強)	94,193	Unlisted Shares	0.16%	94,193	–	0.14%
LI Guangyao (李光耀)	23,899	Unlisted Shares	0.04%	11,950	11,949	0.04%
YANG Xuejuan (楊雪娟)	22,961	Unlisted Shares	0.04%	22,961	–	0.03%
YANG Ke (楊克)	14,009	Unlisted Shares	0.02%	7,009	7,000	0.02%
LIAO Jidong (廖繼東)	11,949	Unlisted Shares	0.02%	–	11,949	0.02%
YAO Yizhu (姚奕竹)	11,907	Unlisted Shares	0.02%	5,000	6,907	0.02%
Tongzi Zhongzhi	11,382	Unlisted Shares	0.02%	–	11,382	0.02%
WAN Xiaojun (萬小軍)	11,303	Unlisted Shares	0.02%	7,703	3,600	0.02%
Jinyi Hongda	10,472	Unlisted Shares	0.02%	5,236	5,236	0.02%
DONG Xiantao (董顯濤)	9,420	Unlisted Shares	0.02%	4,710	4,710	0.01%
YAO Yabiao (姚亞彪)	9,419	Unlisted Shares	0.02%	9,419	–	0.01%
CHEN Yanfeng (陳艷鋒)	9,419	Unlisted Shares	0.02%	9,419	–	0.01%
ZHANG Xusheng (張旭升)	7,170	Unlisted Shares	0.01%	3,585	3,585	0.01%
ZHAO Lihong (趙麗虹)	4,780	Unlisted Shares	0.01%	2,390	2,390	0.01%
ZHANG Jinqian (張近前)	4,710	Unlisted Shares	0.01%	4,710	–	0.01%
MA Donghua (馬冬花)	3,768	Unlisted Shares	0.01%	3,768	–	0.01%
GUO Zhiying (郭志穎)	3,768	Unlisted Shares	0.01%	2,260	1,508	0.01%
LI Changju (李昌菊)	3,585	Unlisted Shares	0.01%	3,585	–	0.01%
LIU Yiqun (劉一群)	3,585	Unlisted Shares	0.01%	3,585	–	0.01%
LI Heng (李恒)	2,826	Unlisted Shares	0.005%	2,826	–	0.004%
LV Yingying (呂英英)	2,826	Unlisted Shares	0.005%	1,413	1,413	0.004%
HAO Jin (郝晉)	2,390	Unlisted Shares	0.004%	2,390	–	0.004%
ZHANG Zhixin (張志新)	1,884	Unlisted Shares	0.003%	1,884	–	0.003%
LI Xiangping (李湘平)	1,195	Unlisted Shares	0.002%	1,195	–	0.002%
LIU Xuehu (劉學虎)	1,195	Unlisted Shares	0.002%	1,195	–	0.002%
PENG Sha (彭莎)	1,195	Unlisted Shares	0.002%	1,195	–	0.002%
CAO Fengqi (曹峰琦)	1,179	Unlisted Shares	0.002%	1,179	–	0.002%
YANG Lifeng (楊麗鳳)	1,093	Unlisted Shares	0.002%	1,093	–	0.002%
ZHAO Rongrong (趙融融)	984	Unlisted Shares	0.002%	984	–	0.001%
ZHANG Xiaoju (張曉菊)	942	Unlisted Shares	0.002%	–	942	0.001%
ZHANG Ying (張英)	942	Unlisted Shares	0.002%	942	–	0.001%
LIU Yue (劉躍)	942	Unlisted Shares	0.002%	942	–	0.001%
LUAN Tian (欒天)	942	Unlisted Shares	0.002%	942	–	0.001%
Sub-total	**59,048,614**	**–**	**100%**	**34,466,214**	**H Shares to be converted from Unlisted Shares**	**52.53%**
				24,582,400	**Unlisted Shares**	**37.47%**
Public Shareholders	**–**	**–**	**–**	**6,561,000**	**H Shares**	**10.00%**
				41,027,214	**H Shares**	**62.53%**
				24,582,400	**Unlisted Shares**	**37.47%**
Total	**59,048,614**	**–**	**100%**	**65,609,614**	**–**	**100%**

Notes:

1. For the basis of aggregating the shareholding of AIC Parties and Employee Shareholding Platforms, see section headed "Relationship with Our Single Largest Shareholder Group" in this prospectus.
2. The shareholdings of Wuming Futian, Mingde Weixin No. 9, Wuming Boji, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin in our Company are presented on an aggregated basis with Dr. Zhang Yingjie's shareholding, as Dr. Zhang is the ultimate beneficial owner of the aforesaid entities.
3. The shareholdings of Hetang Innovation and Chongqing Hetang are presented on an aggregated basis, as both are managed by the same fund manager, Lotus Lake Capital.
4. The shareholdings of Qiming Rongxin and Qiming Rongchuang are presented on an aggregated basis, as both are ultimately controlled by HU Xubo (胡旭波) and YU Jia (于佳), each of whom is an Independent Third Party.
5. The shareholdings of Guoyao Zhongsheng and Shengcheng Investment in our Company are presented on an aggregated basis, as both are ultimately controlled by WU Aimin (吳愛民).
6. The shareholdings of Wuxi Guolian and Wuxi Shanghang in our Company are presented on an aggregated basis, as both are ultimately controlled by State-owned Assets Supervision and Administration Commission of the Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會).
7. The shareholdings of Jiaxing Yaotong and Jiaxing Yaojin in our Company are presented on an aggregated basis, as both are ultimately controlled by LONG Xuewu (隆學武).
8. The shareholdings of Zhuxi Healthcare and Zhongshan Talent in our Company are presented on an aggregated basis, as both are ultimately controlled by People's Government of Guangdong Province (廣東省人民政府).
9. The shareholdings of Boyu Zhiyuan, Boyu Kuntong and Boyu Kexing in our Company are presented on an aggregated basis, as each is ultimately controlled by HUO Dongjin (霍東金).
10. Immediately upon completion of the Global Offering (without taking into account any H Shares that may be issued upon the exercise of the Over-allotment Option), CICC Qide will hold approximately 3.55% of the total issued Shares of our Company, Hetang Innovation and Chongqing Hetang will collectively hold approximately 3.00% total issued Shares of our Company, representing an aggregate shareholding of approximately 6.55%.
11. Immediately upon completion of the Global Offering (without taking into account any H Shares that may be issued upon the exercise of the Over-allotment Option), GoldStone New Material Fund, Maotai GoldStone Fund and CITIC Securities will hold approximately 6.94%, 1.09% and 0.87% of the total issued Shares of our Company, respectively, representing an aggregate shareholding of approximately 8.90%.
12. Immediately upon completion of the Global Offering (without taking into account any H Shares that may be issued upon the exercise of the Over-allotment Option), Wuxi Guolian and Jinyi Hongda (a co-investment platform of Wuxi Guolian) will hold approximately 0.87% and 0.02% of the total issued Shares of our Company, respectively, representing an aggregate shareholding of approximately 0.89%.
13. The calculation is based on the total number of 24,582,400 Unlisted Shares and 41,027,214 H Shares in issue immediately after completion of the Global Offering (without taking into account the H Shares that may be issued upon the exercise of the Over-allotment Option).

PROPOSED A SHARE LISTING

We intended to apply for listing on the Science and Technology Board of Shanghai Stock Exchange previously. Our Company entered into a tutoring agreement with China International Capital Corporation Limited in preparation for the A share listing application on the Science and Technology Board of Shanghai Stock Exchange and published a tutoring filing (上市輔導備案) with the Beijing Regulatory Bureau of the CSRC (中國證券監督管理委員會北京監管局) in February 2023 and eight tutoring progress reports (輔導進展情況報告) during the period from July 2023 to April 2025 (the "**Proposed A Share Listing**"). Such tutoring filing and tutoring progress reports did not constitute a listing application with the CSRC. In the second half of 2023, having regard to the then-prevailing market conditions and regulatory environment, our Company suspended its plan to submit a formal A share listing application. Notwithstanding such suspension, our Company maintained the tutoring process to remain prepared for evolving A Share regulatory requirements and facilitate any potential resumption of the Proposed A Share Listing at an appropriate time after completion of the Listing, subject to the then-prevailing market conditions and regulatory requirements, without having to recommence the tutoring process from the outset. As of the Latest Practicable Date, the Proposed A Share Listing remained suspended and there was no definitive timetable for its resumption. As of the Latest Practicable Date, we did not receive any comments in relation to the tutoring filing from the CSRC.

To further expand our global business and considering that the Stock Exchange would provide us with an international platform to access foreign capital and attract diverse overseas investors, our Company voluntarily decided to pursue the Listing in Hong Kong.

Our Directors confirmed that there are no other matters relating to the Proposed A Share Listing that may affect our Company's suitability for Listing on the Stock Exchange or that are required to be brought to the attention of the Stock Exchange and investors.

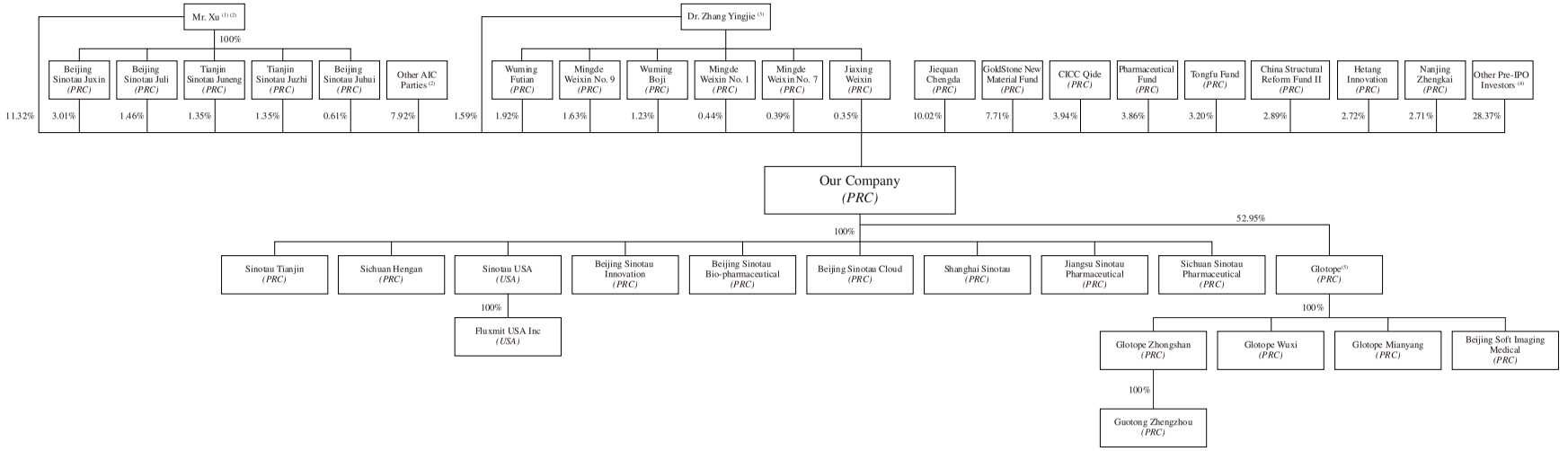
Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above.

As of the Latest Practicable Date, the pre-listing tutoring has not been completed. We may conduct an offering and listing of A shares at an appropriate time after the Global Offering. We have not submitted any application to any recognized stock exchange in the PRC for approval of A share listing as of the Latest Practicable Date. There is no assurance that we will conduct an A share offering in the future.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Corporate Structure Immediately Before Completion of the Global Offering

The chart below sets out the shareholding structure of our Company immediately before completion of the Global Offering:



Notes:

(1) Each of the Employee Shareholding Platforms is managed by Mr. Xu as their respective general partner.

(2) Pursuant to the Concert Party Agreement entered into among Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Tang Yanmin, Qi Hui and Wang Peng on July 20, 2020, they have agreed to act in concert with respect to, inter alia, operation and management, business policies and investment plans and all major matters of the Group. As of the Latest Practicable Date, each of the other AIC Parties, namely Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, beneficially held 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, representing approximately 2.46%, 1.96%, 1.47%, 1.25%, 0.46% and 0.32% of the total issued Shares of our Company, respectively. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this prospectus.

(3) Each of Wuming Futian, Mingde Weixin No. 9, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is a limited liability partnership established in the PRC whose general partner is Shenzhen Wuming Investment, a company which is ultimately controlled by Dr. Zhang, our non-executive Director. The general partner of Wuming Boji is Shenzhen Wuming Boji Equity Investment Management (L.P.) (Limited Partnership) (深圳市物明博濟股權投資管理合夥企業(有限合夥)), whose general partner is Shenzhen Wuming Investment.

(4) As of the Latest Practicable Date, the Other Pre-IPO Investors include:

(i) Qiming Rongxin, which held approximately 1.95% of our total issued Shares;

(ii) Guotou Guangdong, which held approximately 1.93% of our total issued Shares;

(iii) Genertec VC Company, which held approximately 1.93% of our total issued Shares;

(iv) Guoyao Zhongsheng, which held approximately 1.90% of our total issued Shares;

(v) Tianjin Panya, which held approximately 1.33% of our total issued Shares;

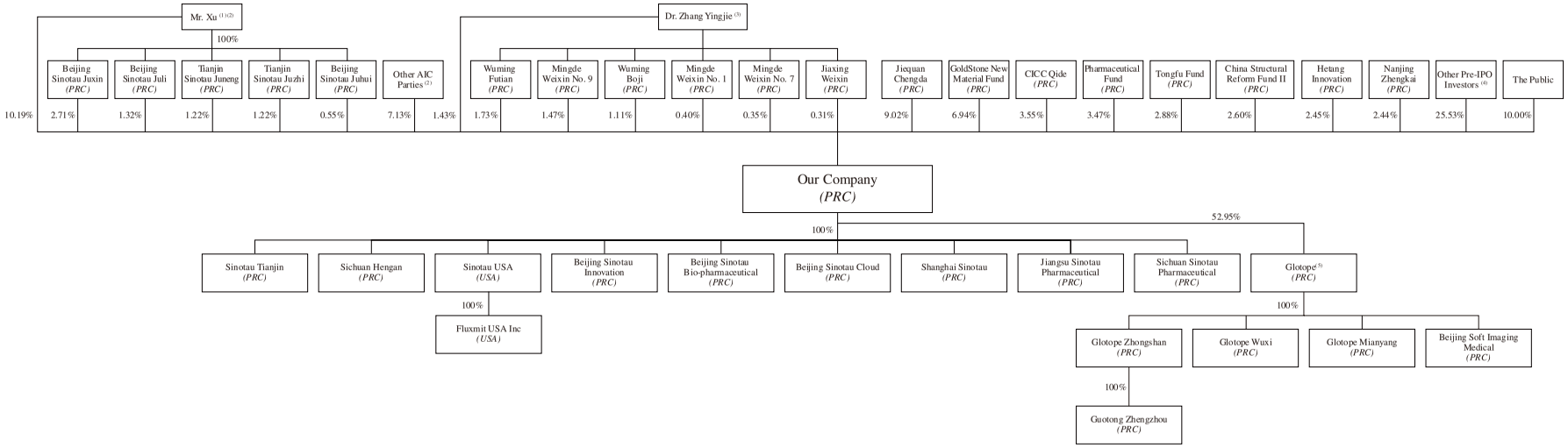
(vi) Maotai GoldStone Fund, which held approximately 1.21% of our total issued Shares; and

(vii) other 68 Shareholders, each of which held less than 1% of our total issued Shares, for shareholding details of such Shareholders, see paragraph headed "Capitalization of Our Company" in this section.

(5) Glotope is a limited liability company established under the laws of the PRC in June 2019 and has been principally engaged in provision of CRO/CDMO services. With the optimistic view on the future development of the industry and recognition of Glotope's development and potential and management team, Glotope underwent several rounds of capital increases. As of the Latest Practicable Date, Glotope was owned as to approximately 52.95%, 19.73%, 4.78%, 2.96%, 2.96% and 16.62% by our Company, Guotou Guangdong, Jiequan Chengda, Guotong Juli, Guotong Juneng and other seven Independent Third Party investors, respectively. Pursuant to the shareholders' agreement entered into between, among others, Glotope and its shareholders dated December 26, 2024 and a joinder agreement dated May 9, 2026, Guotou Guangdong, Jiequan Chengda and other seven Independent Third Party investors had certain special rights pertaining to Glotope, which included, among others, director nomination right, redemption right, pre-emptive right, anti-dilution right, tag-along right, drag-along right and information right, etc. All such special rights are limited to Glotope and none of such rights enables any minority shareholders of Glotope to obtain any Share of our Company or any share of other subsidiaries of our Company.

Corporate Structure Immediately After Completion of the Global Offering

The chart below sets out the shareholding structure of our Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Note: see the notes to "– Corporate Structure Immediately Before Completion of the Global Offering" in this section.

OVERVIEW

We are dedicated to the development and commercialization of both diagnostic and therapeutic radiopharmaceuticals with considerable market potential. According to CIC, we are the first in China to (i) obtain marketing approval for an innovative radiopharmaceutical; (ii) obtain manufacturing approval for an innovative radiopharmaceutical as a MAH; and (iii) complete a registrational clinical trial for a therapeutic radioligand with an NDA accepted by the NMPA.

With deep roots in China and a global vision, we have established end-to-end capabilities from radionuclide development and production, radiopharmaceutical research and development, to radiopharmaceutical manufacturing and commercialization. We are among the first radiopharmaceutical companies in China and one of the few globally to achieve full-industry-chain integration, according to CIC. We believe this allows us to create strong competitive edge and well positions us to seize the immense growth opportunities in the radiopharmaceutical industry characterized by significant technical and regulatory barriers to entry.

With strategic foresight and extensive industry experience and expertise, we have rationally designed and built a comprehensive, differentiated and synergistic product matrix with significant potential in radiotheranostics. Our pipeline is centered around three areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases, comprising 13 assets as of the Latest Practicable Date. Below is an introduction of our Core Products and Key Products:

- **XTR008.** XTR008 (Lutetium (^{177}Lu) oxodotreotide injection), a Core Product, is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. As potentially the first SSTR-targeted therapeutic radioligand in China, we submitted an NDA to the NMPA in March 2025 based on the completed interim analysis of a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, G1 or G2 SSTR-positive GEP-NETs in China. The NDA was accepted by the NMPA in April 2025, and we expect to receive NDA approval in December 2026. Following the IND approval in September 2026, we also plan to initiate a Phase II clinical trial of XTR008 for the treatment of meningioma in China in March 2027.

  In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We completed a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, encompassing lung-NEN, thymus-NEN, NEN of other origins, and CUP-NEN. We received regulatory clearance from the NMPA in March 2026 to initiate a pivotal Phase III clinical trial, and initiated the pivotal Phase III clinical trial in June 2026.

- **XTR004.** XTR004 (Flormotridaz (^{18}F) injection), a Core Product, is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. It is designed to detect myocardial ischemia due to flow-limiting stenoses in epicardial arteries and/or CMD. We have completed a Phase I clinical trial and two Phase II clinical trials for XTR004 and initiated a Phase III clinical trial in November 2025.

  MPI has been recognized as an important and evidence-supported non-invasive, functional detection method for diagnosing myocardial ischemia. According to CIC, the MPI tracer market globally and in China is expected to increase from US$1,280.0 million and RMB39.7 million, respectively, in 2025 and to US$4,328.1 million and RMB1,889.7 million, respectively, in 2036. XTR004, as a PET-MPI tracer, offers significant clinical benefits compared to other diagnostic methods, including coronary computed tomography angiography, coronary angiography and SPECT-MPI. The completed Phase I and Phase II clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR004. As the first and only PET-MPI tracer under clinical development in China, we believe XTR004 could provide clinicians with a more accurate and reliable method to diagnose myocardial ischemia and guide treatment decisions. Meanwhile, it has the potential to address the clinical challenges associated with the excessive use of coronary angiography and interventional treatments, especially stent implantation, thus reducing both patient suffering and the financial burden of unnecessary procedures.

- **XTR003.** XTR003 (Florcicaper (^{18}F) injection), a Key Product, is currently the world's first and only ^{18}F-labeled myocardial fatty acid metabolism imaging agent for detecting myocardial viability. It is the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development. We have completed a Phase I clinical trial in healthy subjects and a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging and initiated a Phase IIb clinical trial in December 2025.

- **XTR006.** XTR006 (Florquinitau (^{18}F) injection), a Key Product, is a ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. XTR006 incorporates an innovative molecular design that effectively overcomes the off-target binding issues observed with approved PET tracers. As a tau-targeted radioligand, XTR006 has strong potential to facilitate AD staging, prognostic assessment and advancing therapy development. As of the Latest Practicable Date, we were investigating XTR006 in a Phase III clinical trial. There was no approved tau-targeted PET tracer in China as of the Latest Practicable Date.

We have established fully-integrated in-house R&D capabilities that encompasses all key functionalities throughout the entire radiopharmaceutical development process, from precursor design and optimization, radiochemistry labeling, radionuclide selection, preclinical validation, clinical research, medical imaging, radiotheranostics integration to translational research. The development of radiopharmaceuticals requires a highly specialized talent team with a suite of inter-disciplinary capabilities. To meet these requirements, we have assembled a high-caliber team of professionals with extensive experience and expertise across radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. As of the Latest Practicable Date, our dedicated in-house R&D team comprised 253 employees.

Our end-to-end capabilities are also reflected in our established manufacturing and commercial capabilities. We have established three in-house manufacturing facilities, housing a total of 21 commercial-scale production lines (with four having obtained production licenses and passed GMP compliance inspections). We strive to maintain a stable and diversified supply of radionuclides by leveraging our in-house cyclotron-based radionuclide production capability while entering into long-term agreements with domestic and international radionuclide suppliers.

We pursue a dual-pillar commercialization strategy comprising both direct sales and external partnerships. We have established in-house sales and marketing team consisting of 219 employees as of the Latest Practicable Date. Meanwhile, we foster an open and collaborative mindset, proactively pursuing out-licensing and collaboration arrangements with leading industry players to leverage the combined strengths in advancing our product candidates toward clinical and commercial success.

OUR COMPETITIVE STRENGTHS

Radiopharmaceutical-focused developer with end-to-end capabilities spanning the entire industry value chain

The global radiopharmaceutical industry is on the cusp of explosive growth, while China remains a nascent market with huge medical needs and tremendous untapped potential

Driven by significant advancements in targeted therapies and nuclear medicine, the global radiopharmaceutical industry has witnessed remarkable breakthroughs in the past decade. Novartis' acquisitions of Advanced Accelerator Applications S.A. for US$3.9 billion in 2017 and Endocyte, Inc. for US$2.1 billion in 2018 represent pivotal milestones in the industry's evolution. The successful market launch of blockbuster therapeutic radioligands such as Lutathera® and Pluvicto® developed by Novartis, and diagnostic radioligands such as Pylarify® developed by Lantheus and Detectnet® developed by RadioMedix, has further validated the immense commercial and clinical potential of radioligands. These advancements have attracted significant interest from MNCs and global capital to secure a foothold in the field, fueling a surge in industry investments, strategic partnerships and pipeline expansions worldwide. According to CIC, since 2021, there have been over 80 deals involving radiopharmaceuticals globally with a total deal value exceeding US$7 billion, including the recently announced acquisitions of Marianna Oncology Inc., Fusion Pharmaceuticals Inc., RayzeBio, Inc. and POINT Biopharma Global Inc. by Novartis, AstraZeneca, Bristol Myers Squibb and Eli Lilly, respectively.

Radioligands represent a distinct modality with unique mechanism, distinguished by their highly precise targeting and reduced side effects, while minimizing drug resistance through direct radionuclide irradiation. By pairing diagnostic and therapeutic radioligands, radiotheranostics is revolutionizing treatment paradigms by enabling real-time imaging and continuous monitoring of therapeutic responses, offering targeted, effective and patient-specific treatment options for resistant and refractory diseases. The global radiopharmaceutical industry is on the cusp of explosive growth. According to CIC, the market size of global radiopharmaceutical industry is expected to increase from US$11.2 billion in 2025 to US$66.8 billion in 2036, representing a CAGR of 17.7%.

While the global radiopharmaceutical industry continues to thrive, China's radiopharmaceutical market remains in a nascent stage of development and is significantly under-penetrated. Notably, only one therapeutic radioligand has been approved by the NMPA as of the Latest Practicable Date. The top two best-selling radiopharmaceuticals globally, generated over US$2 billion in global sales in 2024. In addition, nuclear imaging equipment is significantly under-penetrated in China. According to CIC, China has only 0.6 PET imaging devices per million population, compared to 7.2 in the U.S. The number of nuclear medicine examinations conducted annually in China is approximately 4.1 million, significantly fewer than the 22.3 million performed in the U.S.

Increasing regulatory support from the PRC government, rising demand for precision medicine, rapidly evolving nuclear medicine infrastructure and continuous innovation in ligand design and labeling technologies are expected to drive and accelerate the development of radiopharmaceutical market in China. The radiopharmaceutical market in China is approaching a growth inflection point with its market size projected to increase at a CAGR of 23.8% from RMB8.0 billion in 2025 to RMB83.9 billion in 2036, according to CIC.

We are at the forefront of the radiopharmaceutical market in China with end-to-end capabilities spanning the entire industry value chain

The radiopharmaceutical market is characterized by high entry barriers due to (i) stringent regulatory and qualification requirements; (ii) short half-lives of radionuclides (ranging from hours to days), requiring highly advanced technical capabilities in R&D and imposing significant logistical and operational challenges on the supply chain; (iii) the need for a highly specialized talent team with a suite of inter-disciplinary capabilities that are beyond the reach of most biopharmaceutical companies; and (iv) difficulties in maintaining a stable supply of radionuclides.

As an early mover in this market with over a decade of experience in the research and development of innovative radiopharmaceuticals, we are a fully-integrated company with end-to-end capabilities throughout the radiopharmaceutical development process. We believe this allows us to overcome key barriers and advance our product candidates from bench to bedside, underscoring the scalability of our operations and establishing strong competitive edge. Specifically, we are one of the few companies in China that hold a radiation safety license (《輻射安全許可證》), a radiopharmaceutical manufacturing license (《放射性藥品生產許可證》) and a radiopharmaceutical business license (《放射性藥品經營許可證》). A significant number of high threshold requirements must be satisfied in order to obtain these licenses, which are pre-requisites to the development, manufacturing and sales of radiopharmaceuticals. We have established a nationwide network of R&D and manufacturing facilities, along with a comprehensive sales and distribution network. These resources provide robust support for the development, manufacturing and distribution of our pipeline assets. As a radiopharmaceutical-focused developer, we also possess strong capabilities in supply chain management. In addition, we have assembled a deep bench of professionals with extensive inter-disciplinary experience and expertise across radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. We strive to maintain a stable, sustainable and diversified supply of radionuclides by leveraging both in-house production capability and long-term collaboration relationships with trusted radionuclide suppliers.

We have played an important role in advancing the development and growth of China's radiopharmaceutical industry. We actively participate in the formulation and promulgation of industry standards and guidelines in China, which attests to our recognized expertise in this industry. We also engage in in-depth communications with International Atomic Energy Agency and relevant industry associations.

Since our inception, we have successfully completed a series of financings, representing more than half of the total capital raised in the radiopharmaceutical market in China during the same period. This solidifies strong investor confidence in our industry leadership.

We are developing a pipeline of radiopharmaceuticals with considerable market potential

We have built a pipeline of radiopharmaceuticals with considerable market potential, including XTR005 (歐韋寧®) (the first approved PET diagnostic radioligand targeting an AD biomarker in China and the first innovative PET tracer to obtain marketing approval in China during the past 20 years), XTR008 (potentially the first approved SSTR-targeted therapeutic radioligand in China), XTR004 (the first and only PET-MPI tracer under clinical development in China), XTR003 (the world's first and only PET myocardial fatty acid metabolism imaging tracer under clinical development), XTR006 (a tau-targeted PET tracer in China), and XTR012 (potentially the first approved domestically-developed radiopharmaceutical for bone metastases from prostate cancer in China and the first approved domestically-developed α-emitting radiopharmaceutical in China). We believe our clinically advanced pipeline is a testament to our industry leadership. Our pipeline assets hold exceptional market potential, poised to address significant medical needs upon commercialization.

A comprehensive, differentiated and synergistic product matrix with significant potential in radiotheranostics

With an indication-oriented approach to target the prevalent or hard-to-treat diseases and conditions affecting a large and underserved population, we have rationally designed and built a comprehensive pipeline of differentiated and synergistic assets to deliver integrated diagnostic and therapeutic solutions.

Our pipeline is centered around three areas, namely, (i) oncology, (ii) neurodegenerative diseases and (iii) cardiovascular diseases, comprising 13 assets as of the Latest Practicable Date, including four in commercial or near-commercial stage, five in clinical or IND-enabling stage and four under IITs. Our pipeline comprises both diagnostic and therapeutic radioligands, encompassing both validated targets and radionuclides as well as emerging targets and radionuclides. We believe such a staggered pipeline could offer a balance in development risks and continuous innovations, enabling our commercialized assets to support the advancement of our early-stage candidates.

Our Pipeline by Indication

Oncology

- **Neuroendocrine Neoplasm (NEN)**. According to CIC, the incidence of NEN globally and in China is forecasted to increase from 576,000 and 61,800, respectively, 2025 to 771,600 and 74,300, respectively, in 2036. Based on histology, NENs can be divided into two major types: well-differentiated NETs and poorly-differentiated NECs. NET is substantially under-diagnosed and under-treated in China. Around 70% of patients with NET were previously diagnosed with at least one gastrointestinal, respiratory, dermatologic, or metabolic condition commonly misdiagnosed prior to NET diagnosis, causing delays in receiving proper treatment. With an overall five-year relative survival rate of 36.2% in China (compared to 63.9% in the United States), according to CIC, evidencing a significant need for accurate diagnosis and effective treatment. SSTRs are expressed in approximately 90% of NENs and approximately 80% of GEP-NETs overexpress SSTRs, making them ideal targets for diagnosis and treatment of NENs.

  As of the Latest Practicable Date, Lutathera® developed by Novartis remained the only therapeutic radioligand that received full marketing approval for SSTR-targeted GEP-NET globally. As the second best-selling therapeutic radiopharmaceutical globally in 2025, the global sales of Lutathera® increased from US$167 million in 2018 to US$816 million in 2025, with a CAGR of 25.4%. The global SSTR-targeted therapeutic radioligand market is projected to reach US$4.3 billion in 2036 with a CAGR of 16.4% from 2025 to 2036, according to CIC. Following the anticipated approval of the first SSTR-targeted therapeutic radioligand in China (namely, our XTR008) in December 2026, and the cancellation in 2025 of the administrative approval requirement of Class I and Class II permit for medical institutions to use radioactive drugs, the market in China is expected to grow rapidly and reach US$0.8 billion in 2036, according to CIC.

  Although a number of SSTR-targeted PET tracers had been approved by the FDA for the diagnosis of NENs, there was none that obtained marketing approval in China as of the Latest Practicable Date. According to CIC, the global SSTR-targeted PET tracer market is forecasted to increase from US$0.6 billion in 2025 to US$1.3 billion in 2036 with a CAGR of 7.1%. With the anticipated approval of the first SSTR-targeted PET tracer in China in 2027, the market in China is expected to reach RMB1,104.3 million in 2036. We had three product candidates for the diagnosis or treatment of NEN as of the Latest Practicable Date, including two therapeutic radioligands (XTR008 and XTR024) and one diagnostic radioligand (XTR015).

  - ***XTR008.*** XTR008, a Core Product, is a registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. By targeting SSTR, XTR008 delivers ^{177}Lu to SSTR-overexpressing tumor cells, where it releases β-rays that cause DNA damage, disrupt cell replication, and/or trigger cell death, thereby achieving its therapeutic effect. As potentially the first SSTR-targeted therapeutic radioligand approved in China, we have submitted an NDA for the treatment of G1 or G2 SSTR-positive GEP-NETs. The NDA was accepted by the NMPA in April 2025, and we expect to receive NDA approval in December 2026.

    Results of our registrational Phase III clinical trial demonstrated that the XTR008 treatment group significantly outperformed the control group receiving standard treatment of high-dose somatostatin LAR in terms of multiple efficacy indicators, including PFS and ORR. Specifically, in the Phase III clinical trial of XTR008, the median PFS was not reached in the treatment group compared to 5.8 months in the control group, while the ORR was 43.4% in the treatment group versus 1% in the control group.

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We completed a Phase II clinical trial of XTR008 in patients with advanced SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins and initiated a Phase III clinical trial. We have also secured the IND approval for conducting Phase II clinical trials of XTR008 for meningioma in September 2026 from the NMPA.

- ***XTR024:*** XTR024 is a ^{225}Ac-labeled SSTR-targeted radioligand, for the treatment of G1 or G2 NETs who have failed ^{177}Lu-SSTR treatment or are ^{177}Lu-SSTR treatment naïve. XTR024, labeled with ^{225}Ac (an α-emitter), is designed to complement XTR008 (β-emitter-labeled) to provide a synergistic portfolio of therapeutics for NET treatment, leveraging distinct radiobiological mechanisms to address heterogeneous tumor biology. As of the Latest Practicable Date, XTR024 was undergoing preclinical studies and IITs in China.

- ***XTR015.*** XTR015 is ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. Our XTR015 is the first ^{64}Cu-labeled SSTR-targeted PET radioligand to receive IND in China. ^{64}Cu offers significant advantages over ^{68}Ga-labeled alternatives, including (i) a longer half-life, which allows for more flexible logistics and broader clinical accessibility; (ii) a shorter positron range, resulting in better spatial resolution and more accurate lesion detection; and (iii) an extended imaging window, offering greater scheduling flexibility and improving clinical efficiency. We initiated a registrational Phase III clinical trial of XTR015 in March 2026.

- **Prostate Cancer**. The incidence of prostate cancer globally and in China is forecasted to grow from 1.6 million and 171,300, respectively, in 2025, to 2.1 million and 325,100, respectively, in 2036, according to CIC. Prostate cancer is an under-diagnosed disease in China and approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy.

  PSMA is highly overexpressed in prostate cancer cells and PSMA expression is further elevated in patients with CRPC and mCRPC, making it an ideal target for diagnostic imaging and therapy. As of the Latest Practicable Date, Pluvicto® developed by Novartis remained the only globally approved therapeutic radioligand for PSMA-positive mCRPC. As the best-selling therapeutic radiopharmaceutical globally in 2025, its global sales increased from US$271 million in 2022 to US$1,994 million in 2025. In March 2025, Pluvicto® received the FDA approval for an expanded indication, with projected peak sales of US$5 billion. According to CIC, the global PSMA-targeted therapeutic radioligand market is projected to reach US$19.0 billion in 2036. Following the approval of the first PSMA-targeted therapeutic radioligand in China in 2026, and the cancellation in 2025 of the administrative approval requirement of Class I and Class II permit for medical institutions to use radioactive drugs, the market in China is expected to grow rapidly and reach US$2,548.6 million in 2036. As of the Latest Practicable Date, we had five product candidates for diagnosis or treatment of prostate cancer, including four radiotherapeutics (XTR010, XTR021, XTR012 and XTR022) and one diagnostic radioligand (XTR020). Our prostate cancer pipeline is strategically structured to leverage differentiated development strategies that address diverse clinical and commercial objectives. For example, certain pipeline assets are designed to target specific patient populations, while others prioritize cost-effectiveness to enhance accessibility and affordability.

- ***XTR010.*** XTR010 is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. XTR010 incorporates a structurally optimized targeting ligand that enhances tumor uptake with a reduced radionuclide dose, offering a cost advantage by achieving comparable or improved therapeutic effects with a smaller dose of radionuclide. As of the Latest Practicable Date, XTR010 stood out as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China and we were advancing XTR010 in a Phase I/II clinical trial.

- ***XTR021.*** XTR021 is a self-discovered and developed ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). In an ongoing IIT, XTR021 has demonstrated a rapid prostate-specific antigen response and superior internalization efficiency compared to ^{177}Lu-PSMA-617, indicating enhanced efficacy and reduced treatment-related toxicity. We obtained IND approval from the NMPA in June 2026, and initiated a Phase Ib study of a Phase Ib/II clinical trial in patients with PSMA-positive mCRPC.

- ***XTR012.*** XTR012 is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from prostate cancer. XTR012 is a generic version of Xofigo® developed by Bayer, which offers targeted, dual-action therapy with effective tumor cell killing while preserving bone structure. We have submitted an ANDA for XTR012 to the NMPA and expect to receive marketing approval in November 2026.

- ***XTR020.*** XTR020 (Flotufolastat (^{18}F) injection) is a ^{18}F-labeled PSMA-targeted PET radioligand for the diagnosis of prostate cancer. In addition to enhanced lesion detectability and high specificity compared to conventional imaging methods such as MRI, XTR020 may be logistically more convenient due to ^{18}F's longer half-life (109.7 minutes) compared to alternatives labeled with ^{68}Ga (67.7 minutes) for PET imaging. Having reached the primary endpoint in a Phase III clinical trial, we submitted an ANDA of XTR020 to the NMPA in March 2026 and expect to receive the approval in the fourth quarter of 2027.

Neurodegenerative Diseases

AD is the most prevalent form of dementia and the hallmark pathological features include the accumulation of Aβ plaques, hyperphosphorylated tau protein deposition forming NFTs, and neuronal loss. The progression of AD follows three main stages: (i) preclinical AD; (ii) MCI due to AD; and (iii) dementia due to AD. According to CIC, the number of MCI and ADOD patients in China is forecasted to increase from 52.6 million and 18.9 million, respectively, in 2025 to 82.2 million and 27.2 million, respectively, in 2036.

Under-consultation, under-diagnosis and under-treatment of AD remain critical challenges. Despite being a leading cause of dementia, AD is frequently overlooked due to overlapping symptoms with normal aging, lack of routine assessments and stigma surrounding cognitive decline. Physicians in China have primarily relied on medical history and cognitive tests to diagnose AD. However, these methods are subjective and lack specificity, increasing the risk of misdiagnosis. Driven by the growing consensus on the need for early intervention and advancements in biomarker development, PET imaging has been increasingly recognized as a potential tool for early diagnosis of AD. Recent studies have discovered that the interaction between Aβ and tau plays a critical role in the progression of AD. Measuring Aβ plaque accumulation and phosphorylated tau protein deposition in the brain can accurately locate and quantitatively assess the pathological changes and disease severity of AD. Furthermore, in the development and clinical application of AD therapies, both of Aβ-targeted PET imaging and tau-targeted PET imaging serve as crucial companion diagnostic tools, supporting patient selection and treatment efficacy assessment. As of the Latest Practicable Date, we had two pipeline assets indicated for the diagnosis of AD, namely, XTR006 and XTR005 (commercialized under the trade name 歐韋寧®). With the market launch of XTR005 (歐韋寧®), and the cancellation in 2025 of the administrative approval requirement of Class I and Class II permit for medical institutions to use radioactive drugs, the market size of pathology-specific PET tracers for neurodegenerative diseases in China is expected to grow rapidly to RMB9.5 billion in 2036, according to CIC.

- **XTR006.** XTR006, a Key Product, is a ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. As of the Latest Practicable Date, we were investigating XTR006 in a Phase III clinical trial and there was no approved tau-targeted PET tracer in China. With tau-targeted PET imaging, XTR006 has the potential to enable precise assessment of disease severity and trajectory. From a prognostic perspective, XTR006 may serve as a robust predictor of cognitive decline and disease progression.

  XTR006 incorporates an innovative molecular design that results in significantly improved specificity and a higher signal-to-noise ratio, thereby enhancing imaging quality and diagnostic accuracy. Results from clinical trials have shown promising safety and efficacy profile of XTR006. Specifically, data from our Phase I clinical trial in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group.

- **XTR005 (歐韋寧®).** XTR005 (^{18}F-Florbetaben injection) is an Aβ-targeted PET diagnostic radioligand approved by the NMPA for the diagnosis of AD and other causes of cognitive decline in September 2023, representing a revolutionized approach to high-precision and non-invasive AD diagnosis. We started to sell XTR005 in January 2025 and as of the Latest Practicable Date, we had established cooperative relationship for the sale of XTR005 with over 240 medical institutions mainly in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Pearl River Delta.

Cardiovascular Diseases

In CAD, the most prevalent type of cardiovascular disease, reduced blood flow to the heart muscle (also known as myocardium) may cause myocardial ischemia, and in severe cases, progress to myocardial infarction (commonly known as a heart attack). The number of CAD patients globally and in China amounted to 317.3 million and 11.6 million, respectively, in 2025 and is expected to reach 323.8 million and 12.4 million, respectively, in 2036. Early detection and diagnosis are critical to reducing the risk of myocardial infarction and lowering CAD-related mortality. A number of leading clinical practice

guidelines recommend the effective use of non-invasive imaging techniques while minimizing the use of unnecessary invasive procedures and interventional treatments. Non-invasive radionuclide myocardial imaging (mainly MPI and myocardial metabolism imaging) has been widely adopted in clinical practice. As of the Latest Practicable Date, we were developing two product candidates for radionuclide myocardial PET imaging, namely, XTR004 and XTR003.

- **XTR004.** XTR004, a Core Product, is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. It is designed to detect myocardial ischemia due to flow-limiting stenoses in epicardial arteries and/or CMD. As of the Latest Practicable Date, we were investigating XTR004 in a Phase III clinical trial.

  MPI has been recognized as an important and evidence-supported non-invasive, functional detection method for diagnosing myocardial ischemia. According to CIC, the MPI tracer market globally and in China is expected to increase from US$1,280.0 million and RMB39.7 million, respectively, in 2025 and to US$4,328.1 million and RMB1,889.7 million, respectively, in 2036. Compared to coronary computed tomography angiography and coronary angiography which anatomically visualize coronary artery blockages or narrowing from a structural perspective, functional measurement – such as SPECT imaging, PET imaging and pressure wire-based FFR measurement – can help directly assess the physiological impact of, and thus more accurately identify, myocardial ischemia, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction. Moreover, coronary angiography, as an invasive procedure, is considered necessary only if non-invasive tests demonstrate a high likelihood of CAD. Pressure wire-based FFR measurement is also an invasive procedure, which carries risks and is technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy. Compared to the widely used SPECT-MPI imaging for CAD diagnosis, XTR004, as a PET-MPI tracer, offers higher sensitivity in evaluating multi-vessel disease and microvascular dysfunction due to the improved spatial resolution, more precise attenuation correction and the quantitation of myocardial blood flow. In addition, it takes only 30 to 50 minutes to complete a rest/stress PET-MPI, compared to the 5 to 6 hours required for one-day SPECT-MPI protocols, which is expected to significantly improve clinical efficiency and patient convenience.

  The completed Phase I and Phase II clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR004. Its clinical trial design uses both coronary angiography and FFR as the reference standards. This enables validation of XTR004 as a non-invasive method for both qualitative and quantitative assessment, allow for simultaneous detection of epicardial coronary artery stenosis and functional abnormalities leading to myocardial ischemia. We are also currently conducting preclinical studies to explore the potential of XTR004 in CMD detection.

  We believe XTR004 could provide clinicians with a more accurate and reliable method to diagnose myocardial ischemia and guide treatment decisions. Meanwhile, it has the potential to address the clinical challenges associated with the excessive use of coronary angiography and interventional treatments, especially stent implantation, thus reducing both patient suffering and the financial burden of unnecessary procedures.

- **XTR003.** XTR003, a Key Product, is currently the world's first and only ^{18}F-labeled myocardial fatty acid metabolism imaging agent for detecting myocardial viability. As of the Latest Practicable Date, we were conducting a Phase IIb clinical trial of XTR003/^{18}F-FDG combined imaging.

  Clinically, it is essential to distinguish between viable and non-viable (or scarred) myocardial tissue in patients who have experienced myocardial infarction. This assessment is a critical step in deciding whether early revascularization – such as through coronary artery bypass grafting or percutaneous coronary intervention – could improve clinical outcomes. However, conventional PET myocardial metabolism imaging relies on a glucose-loading protocol with ^{18}F-FDG injection that faces many limitations in clinical utilization. Also, for diabetic patients, various interference factors may compromise image quality, while the glucose-loading process itself increases the risk of hypoglycemia.

  XTR003 is designed to directly detect myocardial fatty acid metabolism without the need for blood glucose regulation. When used in a fasting state in combination with ^{18}F-FDG, XTR003 can simultaneously assess overall myocardial metabolism from two dimensions, i.e. glucose metabolism and myocardial fatty acid metabolism, potentially providing cardiologists with a more accurate and reliable method to detect myocardial viability.

The completed clinical trials have demonstrated excellent safety and diagnostic efficacy of XTR003. Based on results of the Phase II clinical trial, the fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging has comparable ability for the detection of viable myocardium to that of glucose-loaded ^{18}F-FDG PET myocardial metabolism imaging, with all image quality ratings meeting clinical diagnostic requirements. The clinical value of fasting XTR003/^{18}F-FDG PET combined myocardial metabolism imaging will be further investigated in the subsequent clinical studies.

Radionuclides and Targets

Our pipeline encompasses both validated radionuclides and targets as well as emerging radionuclides and targets with high potential.

- **Radionuclides:** For our radiodiagnostic assets, we utilize ^{18}F and ^{64}Cu, two of the most widely used diagnostic radionuclides. Therapeutic radionuclides can be broadly classified into two categories based on the type of radiation they emit: α-emitting radionuclides and β-emitting radionuclides. β-emitters such as ^{177}Lu is the most commonly used therapeutic radionuclide under mature development. As of the Latest Practicable Date, we had four product candidates under development with ^{177}Lu as the radionuclide. α-emitting radionuclides, such as ^{225}Ac and ^{223}Ra, release 500 times more linear energy transfer compared to β-emitters. They deliver high energy over a short range to selectively kill tumor cells while largely sparing normal tissue, offering higher precision and stronger tumor-killing effects. As of the Latest Practicable Date, we were developing three product candidates using ^{225}Ac or ^{223}Ra as the radionuclide.
- **Targets:** Our product pipeline covers substantially all of globally validated targets for radioligands, including PSMA, SSTR, Aβ and tau protein. In addition to these mature targets, we are developing several assets leveraging emerging targets.

Fully-integrated radiopharmaceutical R&D capabilities empowered by robust infrastructure, proprietary technology platforms and a high-caliber and multi-disciplinary team of talent

We have established fully-integrated in-house R&D capabilities that encompasses all key functionalities throughout the entire radiopharmaceutical development process, from precursor design and optimization, radiochemistry labeling, radionuclide selection, preclinical validation, clinical research, medical imaging, radiotheranostics integration to translational research. As a validation of our fully-integrated R&D capabilities, we have established a proven track record in successfully advancing scientific discoveries into clinical applications. Our in-house R&D capabilities are bolstered by robust R&D infrastructure and our proprietary technology platforms. These resources serve as the foundation for the successful development and commercialization of our existing product candidates, while empowering continuous pipeline expansion.

We have a central laboratory and two drug discovery centers, which are equipped with state-of-art equipment and instruments. Our R&D centers are equipped with radiation safety licenses, which authorize us to use over 40 types of radionuclides for the development of radiopharmaceuticals. The development of radiopharmaceuticals requires a highly specialized talent team with a suite of inter-disciplinary capabilities that are beyond the reach of most biopharmaceutical companies. Additionally, proficiency in handling radioactive materials and operating advanced, large-scale equipment is essential. To meet these requirements, we have assembled a high-caliber team of professionals with extensive experience and expertise across radiation medicine, radiochemistry, radiation biology, radiation physics, clinical medicine, pharmacy, chemistry and medical imaging. As of the Latest Practicable Date, our dedicated in-house R&D team comprised 253 employees with an average of approximately 10 years of industry experience and approximately 54% of our R&D team members held master's or above degrees.

We have strategically established our proprietary technology platforms, recognizing the distinct characteristics of development of radiopharmaceuticals compared to other drug modalities. By harnessing these technology platforms, we can advance candidates with the potential to become precision-targeted, clinically-active and commercially-viable radiopharmaceuticals.

- **Radiopharmaceutical Discovery.** Our precursor design and optimization platform focuses on enhancing druggability and clinical translation by integrating key parameters such as pharmacokinetics, physicochemical properties and tissue distribution into compound design and optimization. In addition, our therapeutical radioligand screening platform encompasses the identification and optimization of targeting ligands and linkers, *in vitro* activity screening, radiolabeling and *in vivo* efficacy validation.

- **Radiopharmaceutical Development.** Considering the unique nature of radiopharmaceuticals and the highly inter-disciplinary approach required for their development, we have established specialized technology platforms across all key stages of radiopharmaceutical development, comprising medical radioisotope development platform, radiochemistry labeling technology platform, precursor development technology platform, radiopharmaceutical kit development technology platform, quality control and analytical technology platform and imaging platform (preclinical stage).
- **Radiopharmaceutical Clinical Research.** Radiopharmaceutical is characterized by its ability to be noninvasively visualized and quantified. Due to its unique emission property from radioactive decay, pharmacokinetic assessment of these agents differ fundamentally from those of conventional drugs. To address these challenges, we have established multiple dedicated radiopharmaceutical clinical research platforms, including pharmacology analysis platform, radiation dosimetry platform, imaging platform (clinical stage) and translational medicine platform.
- **Theranostics Development Platform.** The theranostic development platform integrates the development of diagnostic and therapeutic radioligands, achieving a seamless diagnosis-therapy continuum. Diagnostic radioligands serve as important tools in target validation, patient selection and monitoring treatment responses for therapeutic radioligands, enhancing our R&D efficiency. Built upon our theranostic development platform, we are developing a number of theranostic pairings, including XTR008/XTR015. Specifically, XTR015 is used to identify NET patients expressing SSTRs, followed by the administration of XTR008 for targeted therapy.

Our proprietary technologies and pipeline assets are protected by a well-structured global patent portfolio, which consisted of 120 registered patents and 52 patent applications in China, nine registered patents and 64 patent applications in other jurisdictions, and four pending patent applications under PCT as of the Latest Practicable Date. In particular, we had 25 registered patents and 18 patent applications in connection with our Core Products. In addition, as of the Latest Practicable Date, we in-licensed 18 registered patents and four patent applications.

GMP-standard commercial-scale in-house manufacturing capability, ensuring cost efficiency and reinforcing our early-mover advantage

We have established three in-house manufacturing facilities, including one located in Wuxi, Jiangsu Province, one located in Zhongshan, Guangdong Province and one in Mianyang, Sichuan Province. As of the Latest Practicable Date, these facilities had a total GFA of over 40,000 sq.m., housing a total of 21 commercial-scale production lines (with four having obtained production licenses and passed GMP compliance inspections). These in-house manufacturing facilities were designed and operated in accordance with the GMP requirements.

We strive to maintain a stable and diversified supply of radionuclides by leveraging both in-house cyclotron-based production capability and collaboration relationships with trusted radionuclide suppliers. Specifically, we have one cyclotron in each of our manufacturing facilities which are capable of producing various types of radionuclides including ^{18}F, ^{64}Cu and ^{89}Zr. We have also entered into long-term agreements with domestic and international radionuclide suppliers. For example, leveraging our collaboration agreement with the INPC, we have secured an exclusive supply of ^{177}Lu from INPC for the production of ^{177}Lu-DOTATATE. By localizing radionuclide production, XTR008 potentially offers significant cost advantages compared to imported products.

Our in-house GMP-standard manufacturing facilities are integrated with our R&D capabilities, which enhances the efficiency of our development and manufacturing processes, allowing us to achieve reliable quality and cost control and further solidifying our early-mover advantage.

A dual-pillar commercialization strategy underpinned by strong commercial capabilities to propel our sustainable growth

We pursue a dual-pillar commercialization strategy comprising both direct sales and external partnerships, which we believe will allow us to maximize the value of our pipeline assets while effectively managing the development risks and scaling up our business in a cost-efficient manner. While we have established in-house sales and marketing team to provide strong support for the direct sales of our commercialized products, we foster an open and collaborative mindset, proactively pursuing out-licensing and collaboration arrangements with leading industry players to leverage the combined strengths in advancing our product candidates toward clinical and commercial success.

As of the Latest Practicable Date, we had an in-house sales and marketing team of 219 employees, covering 273 hospitals and medical companies in China. As of the same date, our sales and marketing personnel had an average of approximately 13 years of industry-related experience. Our commercialization efforts are built upon prominent academic influence and broad recognition by the medical community. Therefore, we engage in academic promotion to increase the market awareness of radiopharmaceuticals and our pipeline assets. As of the Latest Practicable Date, we had three pipeline assets in commercial or near-commercial stage, including XTR005 (commercialized under the trade name 歐韋寧®), and XTR008 and XTR012 which are expected to be launched after their potential marketing approvals before the end of 2026. Leveraging our strong in-house sales and marketing team, these product candidates are positioned to seize significant market opportunities.

In line with our dual-pillar commercialization strategy, we have entered into a series of out-licensing agreements with Duality in connection with our in-house developed HER3 mAb. See "– Collaboration Arrangements" for more details. Such out-licensing arrangement not only provides significant capital support for our R&D and operations, but also serves as industry validation of our R&D capabilities. In February 2023 and June 2024, Lantheus acquired Cerveau and Meilleur, respectively, of which we were a shareholder prior to each acquisition, for upfront payments together with additional development and commercial milestone payments. Cerveau and Meilleur hold global rights to develop and commercialize MK-6240 and NAV-4694, respectively, and have sublicensed the rights to MK-6240 (also known as XTR006) in China to us. The selling shareholders of Cerveau and Meilleur, including us, are also entitled to royalty payments for research revenue and commercial sales. See "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals." We are well positioned to continue to seek and capture value-accretive partnership opportunities, which will drive our continued innovation and long-term growth.

Visionary and experienced management team with deep industry insights and multi-disciplinary expertise, backed by support from prominent investors

We are led by our visionary and experienced management team. Our strategic direction is guided by Mr. Xu Xinsheng, our founder, chairman of the Board and general manager, along with Ms. Tang Yanmin and Mr. Wang Peng, our co-chief executive officers. Mr. Xu has around 30 years of experience in the pharmaceutical industry. Ms. Tang has around 30 years of experience in the field of pharmaceuticals and pharmaceutical investment, including six years in Sino-American (Tianjin) SmithKline Pharmaceutical Co., Ltd. (中美(天津)史克製藥有限公司), which is a subsidiary of GlaxoSmithKline plc. Ms. Tang is also an experienced investor with a dedicated focus on the healthcare sector, possessing deep industry insights and a proven investment strategy. She served as a director at a number of biotechnologies companies, including companies listed on Shanghai Stock Exchange, Shenzhen Stock Exchange or the Stock Exchange. Mr. Wang has nearly 30 years of experience in the pharmaceutical and healthcare industry, including two years in Fuxing Hospital, Capital Medical University (首都醫科大學附屬復興醫院), three years in Peking Union Medical College Hospital (北京協和醫院) and around 12 years working at the CDE. See "Directors and Senior Management" for their biographies. Our senior management team possesses an average of approximately 24 years of industry-related or professional management experience. We believe that the experience and expertise of our management team will continue to drive our future growth.

We have garnered support from a diverse group of prominent investors who recognize our achievements and are confident in our growth potential, including well-known healthcare and biotechnology investment institutions such as GoldStone New Material Fund, CICC Qide, Pharmaceutical Fund, Nanjing Zhengkai, Guoyao Zhongsheng and Qiming Rongxin; State-owned funds such as China Structural Reform Fund II, Guotou Guangdong and Genertec VC Company; insurance-backed investment institutions such as Jiequan Chengda; and nuclear industrial investment funds such as Tongfu Fund.

OUR STRATEGIES

Rapidly advance the development of our product candidates

We will rapidly advance the clinical development of our product candidates to achieve commercialization. In particular:

- **XTR008.** We have submitted an NDA of XTR008 for unresectable or metastatic, progressive, G1 or G2 SSTR-positive GEP-NETs to the NMPA in March 2025, with marketing approval expected in December 2026. Following regulatory clearance from the NMPA we received in March 2026, we initiated a Phase III clinical trial of XTR008 in China in patients with advanced SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins in June 2026. We plan to complete this Phase III clinical trial in the second half of 2028. Furthermore, we plan to advance XTR008 into clinical development

for meningioma, and received the IND approval for conducting Phase II clinical trials in September 2026. We expect to initiate such clinical trial in March 2027, and complete patient enrollment in the second half of 2028.

- **XTR004.** We initiated a Phase III clinical trial in China in November 2025 and expect to complete patient enrollment of the trial in the fourth quarter of 2027. We also plan to initiate clinical development of XTR004 for detecting flow-limiting stenosis in patients with suspected or known stable CAD in the U.S. and submit the IND application to the FDA in December 2026. Furthermore, we plan to submit the IND application for detecting coronary microcirculatory dysfunction to the NMPA in December 2026.
- **XTR003.** We initiated a Phase IIb clinical trial of XTR003/^{18}F-FDG combined imaging in China in December 2025 and we expect to complete patient enrollment of the Phase IIb clinical trial in the second quarter of 2027. Upon completion of the Phase IIb stage and receipt of regulatory clearance from the NMPA, we expect to initiate a Phase III clinical trial in the first half of 2028.
- **XTR006.** We are investigating XTR006 in a Phase III clinical trial in China, which we expect to complete in the fourth quarter of 2027.
- **XTR015.** We expect to complete patient enrollment of a registrational Phase III clinical trial of XTR015 in December 2026.
- **XTR010.** We are advancing XTR010 in a Phase I/II clinical trial in China and completed Phase I study of the Phase I/II clinical trial in September 2026. We plan to initiate the Phase II study of the Phase I/II clinical trial in December 2026, and complete patient enrollment in the fourth quarter of 2027.
- **XTR020.** Having reached the primary endpoint in a Phase III clinical trial, we submitted an ANDA of XTR020 to the NMPA in March 2026 and expect to receive the approval in the fourth quarter of 2027.

We also plan to explore opportunities to further expand indication coverage, aiming to maximize the therapeutic benefits of our pipeline assets for a broader patient population and fully unlock their commercial and clinical value. In addition, we plan to continue to actively advance the development of our preclinical-stage product candidates towards IND submission.

Further strengthen our manufacturing and commercial capabilities

We plan to continue to enhance our manufacturing capability through expanding our in-house manufacturing capacity. Specifically, considering the limited shelf life of radiopharmaceuticals, we plan to establish a new manufacturing facility in Tianjin. This strategic expansion aims to ensure the timely delivery of our products to customers across northern China, improving the accessibility of our products and extending our geographical reach.

We plan to progressively expand our sales and marketing team and recruit additional employees to effectively meet post-launch market demand. We will continue to refine our commercialization strategies and invest in marketing and promotion activities.

In line with our dual-pillar commercialization strategy, we will continue to explore partnership opportunities and expand our global footprint. We will pursue a flexible strategy to capture the commercial value of our pipeline assets, through forging synergistic license and collaboration opportunities with leading global pharmaceutical and biotechnology companies.

Continue to enhance our R&D capabilities and further expand our pipeline

We will continue to actively invest in early-stage research and development. Our efforts will focus on identifying and evaluating potential novel targets, radionuclides and ligands, precursor design, optimization and development, and the application of AI technologies to empower the development of radiopharmaceuticals. In particular, we plan to continue to explore the applications of innovative radiopharmaceuticals in oncology diagnosis and treatment, with a focus on lung cancer, liver cancer, urinary tract cancer, digestive system cancer and central nervous system cancer. Meanwhile, we will actively investigate potential combination therapies of innovative radiopharmaceuticals with other oncology therapeutics, such as immunotherapies and DNA damage repair pathway inhibitors. With these efforts, we aim to continuously expand our product pipeline and broaden the clinical applications of radiopharmaceuticals. Furthermore, we plan to advance the development of radiopharmaceuticals labeled by novel radionuclides, such as generator-produced ^{212}Pb, with a view to strategically leveraging the distinct properties of various radionuclides to address diverse tumor types and meet both clinical and commercial objectives. We intend to continue advancing IITs to improve R&D efficiency and shorten the time needed to obtain human data.

Optimize our operation system and continue to attract and retain talent

We are continuously reviewing and optimizing our internal procedures to enhance operational efficiency and support our growth. We also place a strong emphasis on talent recruitment and retention. We recognize that a high-caliber talent team is key to our future success and sustainable growth. We will continue to invest in attracting and retaining outstanding professionals in key aspects of our operations.

Meanwhile, we plan to utilize advanced technologies to enhance the digitalization and automation of our operations, which is expected to improve operational efficiency and increase profitability. Considering the limited shelf life of radiopharmaceuticals, we are developing an advanced order tracking system to provide end-to-end visibility across the supply chain. Powered by real-time GPS monitoring, this system will allow our customers (namely, hospitals) to place orders while ensuring seamless traceability and transparency throughout every stage from manufacturing, quality control and final delivery.

PRODUCT CANDIDATES

Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand

Our Core Product, XTR008 (Lutetium (^{177}Lu) oxodotreotide injection), is an internally developed, registrational-stage, ^{177}Lu-labeled SSTR-targeted radioligand for the treatment of NENs. It is a generic version of Lutathera® and first of its kind to file an NDA as a Class 3 chemical drug. Following the expiration of the compound patents for ^{177}Lu-DOTATATE in 2015 in the U.S. and in 2016 in Europe, Japan and Canada, according to the public filings of Advanced Accelerator Applications International S.A. (Italy), we independently conducted the research and development of ^{177}Lu-DOTATATE, with support from CROs, and established our proprietary manufacturing process for ^{177}Lu-DOTATATE, resulting in the successful creation of XTR008. We have developed proprietary manufacturing technologies and process improvements for XTR008, for which we have obtained patent protection or filed patent applications. We have also established and executed a differentiated clinical development strategy to support the advancement and potential commercialization of XTR008 in China. We have independently advanced the clinical development of XTR008 and managed all regulatory interactions, enabling the smooth progression of its clinical program.

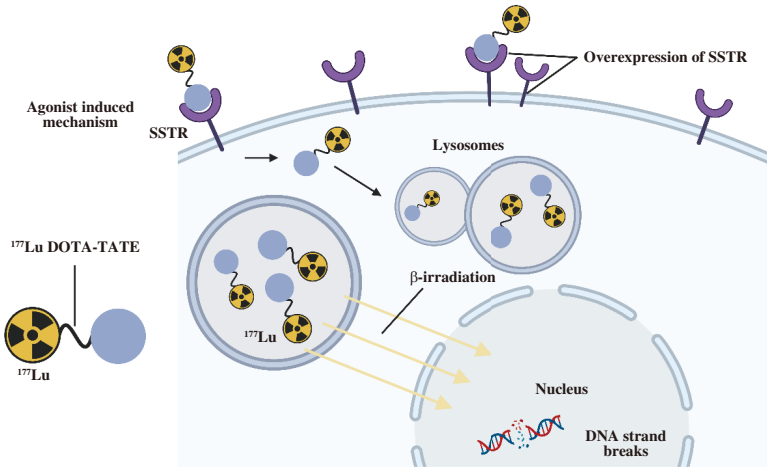
By targeting SSTR, XTR008 delivers ^{177}Lu to SSTR-overexpressing tumor cells, where it releases β-rays that cause DNA damage, disrupt cell replication, and/or trigger cell death, thereby achieving its therapeutic effect. As the potential first SSTR-targeted radioligand therapy for GEP-NETs in China, we have obtained clinical data from a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, well-differentiated low-grade (G1) or intermediate-grade (G2) GEP-NETs, and submitted an NDA to the NMPA in March 2025, with marketing approval expected in December 2026.

Beyond seeking approval for G1 or G2 GEP-NETs, we are also exploring the clinical potential of XTR008 in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins as a Class 2.4 chemical drug, a new indication that is not yet covered by Lutathera® and is not currently being investigated by any other SSTR-targeted radioligand candidate globally. This indication of XTR008 for the treatment of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins represents a further expansion beyond the approved indications of Lutathera® (i.e., SSTR-positive GEP-NETs for patients above 12 years of age, including foregut, midgut, and hindgut neuroendocrine tumors, according to FDA drug label) and beyond XTR008 for the treatment of G1 or G2 GEP-NETs for adults, includes patients of PPGL and non-GEP NETs (if approved by the NMPA), thereby addressing a different patient population with significant medical needs, and offering a potentially effective alternative to existing therapies. The indication is considered an expansion for XTR008 beyond G1 or G2 GEP-NETs by the NMPA. If XTR008 subsequently obtains marketing approval from the NMPA for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins after the approval for the treatment of G1 or G2 GEP-NETs, the drug label of XTR008 will be updated to include the expanded indication accordingly.

As of the Latest Practicable Date, we initiated a Phase III clinical trial of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins in China. In addition, we received the IND approval for conducting Phase II clinical trials of XTR008 for meningioma from the NMPA in September 2026.

Mechanism of Action

XTR008 is a generic version of Lutathera®, and therefore has the same mechanism of action. SSTRs are expressed in approximately 90% of NENs and approximately 80% of GEP-NETs overexpress SSTRs, making them promising targets for the diagnosis and treatment of NENs. Positive SSTR PET/CT imaging serves not only as a patient selection tool, but also as a key biological prerequisite for predicting treatment efficacy. One of the most effective treatment approaches for SSTR-positive NENs is radioligand therapy, which utilizes SSTR-targeted radiopharmaceuticals. Radiolabeled somatostatin analogs selectively bind to these receptors, enabling precise tumor targeting while minimizing damage to surrounding healthy tissues. The active ingredient of XTR008, i.e. ^{177}Lu-DOTATATE, specifically binds to and is internalized by tumor cells that overexpress SSTRs, particularly neuroendocrine tumors. The β-rays emitted during the radioactive decay of ^{177}Lu induce DNA damage, disrupt tumor cell replication, and/or trigger cell death, thereby exerting a therapeutic effect on tumors.



Source: Company data

Market Opportunities and Competition

NENs are abnormal growths that originate from widely distributed cells within the neuroendocrine system. According to CIC, the incidence of NEN globally and in China is forecasted to increase from 576,000 and 61,800, respectively, in 2025, to 771,600 and 74,300, respectively, in 2036. GEP-NENs are a heterogeneous and complex group of tumors that originate from cells of the diffuse neuroendocrine system and are commonly found in the intestine, pancreas, and bronchopulmonary system. As a major subtype of NENs, GEP-NETs account for approximately 65% to 75% of all NENs and approximately 80% of GEP-NETs overexpress SSTRs.

Surgery and endoscopic removal have long been the primary treatment approach for patients with resectable locoregional GEP-NENs; however, if surgery is not feasible due to individual patient factors, a multi-disciplinary team should guide systemic therapy. If systemic therapy reduces the tumor to a resectable state, surgical intervention should be reconsidered.

Radioligand therapy, particularly PRRT, represents a targeted treatment approach that combines a tumor-targeted molecule with a radioactive payload. In the context of NENs, PRRT employs somatostatin analogs labeled with beta-emitting radionuclides, such as ^{177}Lu or ^{90}Y, which selectively bind to SSTRs overexpressed on tumor cell membranes and deliver localized radiation that induces DNA damage and cell death, while sparing surrounding healthy tissue. ^{177}Lu has become the gold standard for radionuclide therapy due to its favorable physical and safety profile.

The clinical value of PRRT in patients with SSTR-positive NETs has been well established by prior studies. NETTER-1 demonstrated that ^{177}Lu-DOTATATE significantly improved progression-free survival and objective response rate compared with high-dose octreotide LAR in patients with well-differentiated G1 or G2 midgut NET, establishing it as an effective treatment option in the later-line setting. NETTER-2 further demonstrated that first-line ^{177}Lu-DOTATATE plus octreotide LAR significantly improved PFS and ORR in patients with advanced well-differentiated G2 or G3 GEP-NET, supporting its use in earlier lines of treatment.

As of the Latest Practicable Date, Lutathera® (brand name product of ^{177}Lu-DOTATATE) was the only radioligand therapy that received full marketing approval for the treatment of GEP-NETs on a global scale. It was first approved by the FDA in 2018 in combination with somatostatin LAR for adults with SSTR-positive GEP-NETs. In 2024, the FDA expanded its indication to include pediatric patients aged 12 years and older. Currently, Lutathera® is commercially available in the U.S., Canada, the EU, and Japan, but has not yet been launched in China. Since its approval, Lutathera® has demonstrated strong sales momentum, growing from US$167 million in 2018 to US$816 million in 2025, making it one of the fastest-growing products in Novartis' portfolio. As of the Latest Practicable Date, Lutathera® was under clinical development in China for the treatment of G1 or G2 advanced GEP-NETs, which is a different indication from SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. Specifically, NETTER-3 is an ongoing Phase III clinical trial evaluating ^{177}Lu-DOTATATE in patients with SSTR-positive, well-differentiated G1 or G2 GEP-NENs and is expected to further expand the clinical evidence supporting its use in higher-grade disease.

As of the Latest Practicable Date, nine SSTR-targeted therapeutic radioligands were under Phase III or later-stage clinical development globally. XTR008, with its NDA accepted by the NMPA, stands out as the most clinically advanced product candidate in China. For details regarding the competitive landscape of SSTR-targeted therapeutic radioligands, see "Industry Overview – Major Indications – NEN – Treatment of NEN." Our Phase II clinical trial of XTR008 monotherapy demonstrated encouraging efficacy results, supporting the initiation of the first pivotal clinical trial of ^{177}Lu-DOTATATE for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins on a global scale.

Competitive Advantages

XTR008 and Lutathera® have the same composition. XTR008, for the treatment of G1 or G2 GEP-NETs, is classified as a Class 3 chemical drug and is being developed as a generic version of Lutathera®. As the compound patents for ^{177}Lu-DOTATATE have expired in 2015 in the U.S. and in 2016 in Europe, Japan and Canada, according to the public filings of Advanced Accelerator Applications International S.A. (Italy), subsequent innovation in the field of ^{177}Lu-DOTATATE development has increasingly focused on manufacturing processes and process-related devices. Compared with competing products, we have introduced innovations in multiple areas that have materially enhanced the preparation and manufacturing of XTR008. For details, see "– Key Barriers of XTR008" in this section. In addition to our innovations in manufacturing processes and process-related devices, XTR008 has several other competitive advantages:

Clinical Development Innovation Built Upon a Well-Validated Reference Product

Given the significant differences in the epidemiology and clinical practice of NETs between China and western countries, the pivotal clinical trial design of XTR008 adopts a differentiated clinical development strategy from Lutathera® by evaluating ^{177}Lu-DOTATATE as monotherapy and tailoring development to the epidemiological characteristics of NETs in China. To the best of our knowledge, XTR008 is the first PRRT candidate globally to be evaluated as monotherapy in a pivotal clinical trial for GEP-NETs, with its pivotal Phase III clinical trial generating prospective evidence supporting PRRT monotherapy. The 2026 CSCO Guidelines for Neuroendocrine Tumors cited the results of the pivotal Phase III clinical trial of XTR008 for SSTR-positive G1 or G2 GEP-NETs and, for the first time, included PRRT monotherapy as a Class I recommendation for second- and later-line treatment of G1 or G2 GEP-NETs. In addition, XTR008 employs a biomarker-driven development strategy based on SSTR positivity rather than tumor origin or pathological grade, enabling expansion into SSTR-positive NENs beyond G1 or G2 GEP-NETs, including G3 GEP-NETs, PPGLs, and NENs of other origins, and supporting pivotal registrational development in several underserved patient populations.

Encouraging Safety and Efficacy Profile According to Phase III Clinical Trial

We have observed encouraging safety and efficacy of XTR008 in our concluded registrational Phase III trial in patients with G1 or G2 advanced GEP-NETs, which demonstrated that the XTR008 treatment group significantly outperformed the control group in terms of median PFS and ORR. The Phase III clinical trial of XTR008 for SSTR-positive G1 or G2 GEP-NETs demonstrated that the median PFS was not reached in the treatment group, while it was 5.8 months in the control group. The ORR was 43.4% in the treatment group compared to 1% in the control group.

In addition, according to the Phase III clinical trial for SSTR-positive G1 or G2 GEP-NETs, the incidence of treatment-emergent serious adverse events related to the study drug during the treatment period was 6.1% in the treatment group and 3.1% in the control group. Also, the AE profile was similar to that of Lutathera®, and the proportions of patients requiring dose reduction or permanent discontinuation due to TRAEs were also comparable between XTR008 and Lutathera®.

XTR008 demonstrated a well-tolerated safety profile in the Phase II clinical trial of XTR008 in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. All 20 enrolled subjects completed the planned four treatment cycles, with no TEAEs leading to dose reduction, permanent treatment discontinuation, study withdrawal or death. Grade ≥3 drug-related TEAEs ("**TRAEs**") were limited to Grade 3 lymphocyte count decreased, and no drug-related SAEs were reported.

XTR008 also demonstrated encouraging and durable antitumor activity across patients with G3 GEP-NETs, PPGL and other non-GEP NENs. Among the 20 evaluable subjects, the ORR was 60.0% and the DCR was 100.0%, with responses observed across all disease subgroups, including an ORR of 83.3% in G3 GEP-NETs. At a median follow-up of 16.36 months, the median DOR, PFS, TTP and OS had not yet been reached, suggesting durable clinical benefit. These results supported the initiation of a pivotal Phase III clinical trial in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins.

Favorable Marketing Opportunity with Limited Competition

Since its launch, Lutathera® has experienced rapid sales growth. According to CIC, driven by the rising incidence of cancer, precise targeting, and unique theranostic advantage that integrates diagnosis and treatment, in 2036, the market size of SSTR-targeted therapeutic radioligands globally is expected to reach US$4.3 billion. With the expected approval of XTR008 in China in December 2026, and the cancellation in 2025 of the administrative approval requirement of Class I and Class II permit for medical institutions to use radioactive drugs, the market size of SSTR targeted therapeutic radioligands in China is expected to reach US$0.8 billion in 2036.

Among the three ^{177}Lu-DOTATATEs under clinical development in China as of the Latest Practicable Date, XTR008 was the most clinically advanced product candidate, being the first to apply for marketing approval. It is also the most clinically advanced SSTR-targeted therapeutic radioligand in China.

In addition, we have adopted a comprehensive indication strategy to fully explore the potential of XTR008 in SSTR-positive tumors. We have received regulatory clearance from the NMPA to initiate a Phase III clinical trial of XTR008 for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins in China in March 2026. Currently, Lutathera® was approved globally for the treatment of SSTR-positive GEP-NETs only. Novartis has conducted the NETTER-P study involving patients with PPGL; however, that study was designed primarily to evaluate safety and dosimetry and supported the expansion of the approved indication to pediatric GEP-NET patients, rather than PPGL patients. Since no ^{177}Lu-DOTATATE product (including Lutathera®) for the treatment of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins has been approved in China or elsewhere in the world, XTR008 for the treatment of this indication is regulated as a Class 2.4 chemical drug in China. Unless a ^{177}Lu-DOTATATE product successfully completes pivotal studies for all three patient populations as XTR008 and submits an NDA to the NMPA prior to us, XTR008 will continue to be classified as a Class 2.4 chemical drug candidate in China.

Self-built Local Supply Chain

Leveraging our collaboration agreement with the INPC, INPC has agreed to exclusively supply carrier-free ^{177}Lu for our clinical development, manufacturing and commercial production of ^{177}Lu-DOTATATE and will remain as the sole carrier-free ^{177}Lu supplier for XTR008 for at least 12 to 18 months, until we complete the appointment of additional suppliers. By localizing production, XTR008 potentially offers significant cost advantages in manufacturing, distribution, and commercialization compared to imported products. Furthermore, upon obtaining marketing approval of XTR008 for SSTR-positive G1 or G2 GEP-NETs from the NMPA, we intend to qualify and onboard additional radionuclide suppliers to diversify and secure the radionuclide supply for XTR008. For our detailed plan, see "Business – Product Candidates – Core Product – XTR008 – Registrational-Stage ^{177}Lu-Labeled SSTR-Targeted Radioligand – Supply Chain and Contingency Plan." We have procured ^{177}Lu from alternative resources.

Key Barriers of XTR008

As the compound patents for ^{177}Lu-DOTATATE have expired in 2015 in the U.S. and in 2016 in Europe, Japan and Canada, according to the public filings of Advanced Accelerator Applications International S.A. (Italy), subsequent innovation in the ^{177}Lu-DOTATATE development field has increasingly focused on manufacturing processes and process-related devices. Compared with competing products, we have introduced innovations in multiple areas, which have materially enhanced the preparation and manufacturing of XTR008.

Particularly, the shelf life of a radiopharmaceutical, to certain extent, dictates the clinical efficacy of the drug, and is nonetheless limited by autoradiolysis (i.e., radiation-induced decomposition), and the half-life of the isotope. Reducing autoradiolysis increases radiochemical purity, which can extend the shelf life of the radiopharmaceutical. We have over the years developed unique manufacturing processes and know-how to optimize synthesis process parameters, implement high-precision dispensing, and effectively control impurity.

The following are the key barriers that differentiate XTR008 from its competitors:

High-precision feeding process innovation. To address the limited accuracy of automated small-volume reagent transfer during radiopharmaceutical manufacturing, we developed a high-precision feeding process incorporating control strategies such as differential-volume delivery (over-spiration-based volumetric dispensing with residual-volume discard) and air-pressure pre-balancing. These features address common sources of error in small-volume reagent transfer and can minimize the relative error of small-volume reagent sampling using automated synthesis systems within ±5%, significantly improving the quantitative accuracy of reagent transfer and batch-to-batch process consistency. The process also enables automated and precise reagent feeding without manual intervention, thereby simplifying operations, reducing human error and radiation exposure, improving workplace safety, and supporting stable quality control in large-scale commercial production. This technical solution is covered by an issued patent titled "A Transfer Device and Method for Transferring Radioactive Drug Solution and Use Thereof." Based on the search and analysis conducted by our IP Legal Adviser, as of the Latest Practicable Date, no identified competitor patent or patent application had been identified as disclosing these innovative features. For details regarding the identified competitors, see "Industry Overview." Accordingly, this proprietary technology and the associated patent protection create technical barriers to entry for competitors.

Online filter integrity testing innovation. We developed an innovative online filter membrane integrity testing device and method for radiopharmaceutical manufacturing lines, enabling online bubble point testing of sterilizing-grade filters equipped with vent valves. The technology addresses a key limitation of conventional integrity testing methods, which require filters equipped with vent valves to be removed from the drug filtration system, the vent valve to be manually blocked, and the filter to be reconfigured before bubble point testing can be performed. By automating vent-valve blocking and enabling online integrity testing without filter removal, the technology integrates filtration and integrity testing into a single automated online process. Specifically, sterilizing filters equipped with vent valves can effectively address the gas-lock problem by allowing entrained gas to be discharged during filtration. However, the presence of the vent valve creates a challenge during conventional integrity testing. Our technology overcomes the limitations of conventional radiopharmaceutical sterilizing filtration process by combining a vent-valve equipped sterilizing filter with automated vent-valve blocking and online membrane integrity testing. This configuration enables the filter to vent entrained gas during drug filtration while allowing bubble point testing to be performed online without removing the filter from the filtration system. As a result, the technology eliminates the cumbersome filter-removal and manual reconfiguration procedures required by conventional methods, improves production and testing efficiency, enhances radiation protection during bubble point testing, and contributes to improved workplace safety. This technical solution is covered by issued patents titled "Online Filter Membrane Integrity Testing Device and Method and Its Applications" and "An Online Filter Membrane Integrity Testing Device and Method, and Use Thereof." Based on our IP legal adviser's search and analysis as of the Latest Practicable Date, no identified competitor patents or patent applications have disclosed such innovative features. This innovation therefore creates technical barriers to entry.

Excipient manufacturing process innovation. We developed an innovative manufacturing process for gentisic acid, a key excipient used in XTR008. The process incorporates a proprietary dibromohydantoin ("**DBDMH**")-acetonitrile bromination system and multiple optimized process parameters for the preparation of 5-bromosalicylic acid, effectively addressing the longstanding challenge of excessive isomeric impurities associated with conventional industrial manufacturing methods. Conventional industrial processes for producing gentisic acid commonly use liquid bromine as the brominating agent. Liquid bromine is highly volatile, corrosive, and toxic, and can readily cause side reactions, resulting in excessive isomeric impurities. Our process instead employs a DBDMH-acetonitrile selective bromination system that selectively targets the 5-position of salicylic acid while suppressing bromination at other positions and multiple bromination reactions. Testing across multiple production batches demonstrated product purity consistently exceeding 99.9%. Among 13 potential impurities, including genotoxic impurities, only one genotoxic impurity was detected, at a level of 0.03%. Unlike conventional processes that typically require multiple recrystallization steps, our process achieves the required purification through a single recrystallization, increasing the overall product yield from

approximately 70% under conventional processes to consistently above 90%. This improvement reduces product loss, shortens the overall production cycle, improves raw material utilization, and significantly lowers manufacturing costs at commercial scale. In addition, the process replaces the industry-standard liquid bromine/highly corrosive system with a solid brominating reagent under non-strongly-corrosive reaction conditions. The resulting reaction generates fewer by-products and less waste, thereby reducing waste-treatment requirements and costs and making the process more suitable for environmentally responsible, large-scale manufacturing. This technical solution is covered by our patent application titled "Methods of the Preparing High-purity 5-bromosalicylic Acid and Its Use in Preparing Gentisic Acid." Based on our IP legal adviser's search and analysis as of the Latest Practicable Date, no identified competitor patents or patent applications have disclosed such innovative features. This innovation therefore creates technical barriers to entry.

Nitrogen-blanketing technique innovation. During the clinical trial and pharmaceutical development stages, we developed an innovative nitrogen-blanketing technique to address the inherent radiolytic degradation of ^{177}Lu-DOTATATE formulations during storage. The innovation involves controlling the ratio between the volume of residual oxygen in the headspace of the sealed container and the total volume of the container during the nitrogen-filling process. Through a large number of experiments on parameters that can potentially affect the stability of the radiopharmaceutical, we determined that the ratio of residual oxygen volume to container volume, rather than simply the residual oxygen concentration or absolute residual oxygen volume, is a determinant. This finding represents a technical advance over the conventional understanding of residual oxygen control. In conventional production of injectable radiopharmaceuticals, residual oxygen in the headspace of the finished formulation is generally not specifically controlled. As a result, radiolytic degradation during storage may lead to a decline in radiochemical purity and an increase in impurities, thereby limiting product shelf life. Our nitrogen-blanketing process specifically controls the headspace oxygen level relative to the container volume, significantly suppressing radiolytic degradation of the active ingredient of XTR008, maintaining higher radiochemical purity throughout storage, and enhancing overall product stability. This technical solution is covered by our patent application titled "A Stable Radiopharmaceutical Formulation and Methods of Preparing the Same." Based on our IP legal adviser's search and analysis as of the Latest Practicable Date, no identified competitor patents or patent applications identified in the search disclose these innovative features. Accordingly, this technology creates meaningful technical barriers to entry and provides XTR008 with a differentiated formulation and stability advantage.

Formulation and manufacturing process innovation. We developed an optimized formulation and preparation process for XTR008, combining a proprietary pre-quenching process, optimized buffer-system ratios, and proprietary nitrogen-purging technology to significantly improve the initial radiochemical purity and stability of ^{177}Lu-DOTATATE injection. The optimized process achieves an initial radiochemical purity of ≥99% by ITLC and ≥98% by HPLC and narrows the formulation pH range from 4.5–6.0, the range disclosed for Lutathera, to 4.5–4.7, which is more favorable for maintaining the radiochemical stability of XTR008 throughout its shelf life. A key innovation is the introduction of a pre-quenching step before radiolabeling. In conventional manufacturing processes, free radicals accumulated in the ^{177}Lu radionuclide may directly interact with the chemical precursor DOTATATE, resulting in radiolytic degradation. In combination with the optimized buffer-system ratio and controlled reagent addition sequence, the process consistently achieves the targeted high initial radiochemical purity. The optimized formulation also maintains the injectable product within a controlled pH range of 4.5–4.7, which provides a favorable environment for formulation stability. Together with our proprietary nitrogen-purging technology, which protects the finished formulation by reducing exposure to oxygen in the container headspace, the integrated formulation and process substantially improve the stability of XTR008 during storage. Stability testing demonstrated that the product maintained radiochemical purity above 97% after 72 hours at 25°C and above 95% after five days at 25°C. The integrated technology also enhances the feasibility of commercial-scale manufacturing, improves product quality consistency, and facilitates broader and more flexible clinical use. Importantly, the technical advantage arises not merely from the use of known stabilizing agents, but from the specific combination and integration of the formulation design, buffer-system ratio, reagent addition sequence, pre-quenching step, pH control, and nitrogen-purging process. This technical solution is covered by our patent application titled "Lutetium (^{177}Lu) Oxodotreotide Injection and Methods of Preparing the Same." Based on our IP legal adviser's search and analysis as of the Latest Practicable Date, no identified competitor patents or patent applications identified in the search disclose these innovative features in combination. Accordingly, this integrated formulation and manufacturing technology creates meaningful technical barriers to entry and provides XTR008 with a differentiated advantage in radiochemical purity, stability, manufacturing consistency, and clinical usability.

XTR008's NDA for the treatment of G1 or G2 GEP-NETs is currently expected to be approved with a three-day shelf life, consistent with that approved for Lutathera®. Based on the foregoing analysis, we believe that XTR008 has the potential, in connection with future marketing applications for other indications, including SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, to support a potential extension of the product shelf life beyond three days.

We have established a comprehensive intellectual property portfolio to protect XTR008, comprising six granted patents and 12 pending patent applications. We are the sole owner of these patents and patent applications. In respect of the above-mentioned innovations that differentiate XTR008 from competing products, we have obtained four issued patents and filed three patent applications. According to three Patent Application Evaluation Reports issued by the Intellectual Property Search and Consultation Center of the CNIPA ("**IPSCC**") in June 2026, novelty and inventiveness searches were conducted on the claims of our three patent applications relating to the manufacturing process of XTR008, i.e., "Methods of the Preparing High-purity 5-bromosalicylic Acid and Its Use in Preparing Gentisic Acid," "A Stable Radiopharmaceutical Formulation and Methods of Preparing the Same," and "Lutetium (^{177}Lu) Oxodotreotide Injection and Methods of Preparing the Same." The searches covered prior art publicly available on a global scale prior to the respective filing dates of the applications, including but not limited to patents, patent applications, literature reviews and public use. Based on comprehensive prior-art searches and substantive analyses focusing on novelty and inventiveness, the IPSCC concluded in its issued reports that the technical solutions claimed in the three patent applications are patentable over all identified prior art, including patent applications filed by Novartis and other potential competitors. Based on the analysis conducted by our IP Legal Adviser, the key technical features underlying these innovations have not been disclosed by competitors, supporting the conclusion that the manufacturing process of XTR008 possesses differentiated technological advantages and is capable of establishing meaningful barriers to entry. According to the typical examination and prosecution timeline for pharmaceutical process patents, we expect that the three patent applications will be granted within approximately 22 to 28 months after their respective filing dates.

Summary of Clinical Trial Results

We completed interim analysis of the registrational Phase III clinical trial in patients with G1 or G2 GEP-NETs in China, which incorporated pharmacokinetics and radiation dosimetry studies. PK studies and, where necessary, clinical trials should generally be conducted to support the evaluation of the safety and efficacy of generic drugs in Chinese patients, while certain human clinical studies may be significantly reduced or waived. Based on publicly available clinical research and evaluation information on the reference product, Lutathera®, we have completed a Phase III clinical trial of XTR008 for the indication of G1 or G2 GEP-NETs, which included clinical pharmacology components, such as sub-studies on radiation dosimetry and PK. This Phase III clinical trial has satisfied the stage-specific requirements set forth in the Technical Guidelines for Clinical Evaluation of *In Vivo* Radiotherapeutic Drugs and the GQEC Framework. The clinical trial protocol was designed in accordance with the purpose and necessity principles applicable to Class 3 chemical drugs and has been discussed with and endorsed by the NMPA. A Phase II clinical trial is not required to be conducted. Based on the data generated from the Phase III clinical trial, we submitted an NDA to the NMPA. Although the possibility that the NMPA may require continued post-marketing monitoring of long-term safety data cannot be completely ruled out, our PRC Legal Adviser has advised that such a scenario is unlikely. For details regarding the GQEC Framework, see "Regulatory Overview – Regulations Governing Drug Research and Development – (e) Clinical Trials and (g) Post-marketing Studies."

In addition, we completed a Phase II clinical trial in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, and obtained regulatory clearance to proceed with a Phase III clinical trial. A Phase I clinical trial in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins is not required to be conducted. Having obtained the regulatory clearance from the NMPA and ethics committee approval, we are proceeding with a Phase III clinical trial of XTR008 in patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins.

Phase III Clinical Trial of XTR008 in Patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of Other Origins

Trial Design. This is a multicenter, single-arm, registrational Phase III clinical trial aimed at evaluating the safety and efficacy of XTR008 in patients with unresectable, locally advanced or metastatic, progressive, SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. We expect to enroll 85 patients in this clinical trial. This patient population primarily include three patient groups: (1) 31 G3 GEP-NETs, (2) 31 NENs of non-GEP origin, primarily including pulmonary/thymic NENs, NENs originating from other sites, and NENs of unknown primary origin, and (3) 23 PPGLs. This trial is being solely sponsored

and conducted independently by us in China. Enrolled patients will receive XTR008 at a dose of 7.4 GBq (200 mCi) ± 10% per administration, administered intravenously once every 8 ± 2 weeks for a total of four doses. If disease progression occurred, further treatment could also be continued upon the investigator's judgment and sponsor's agreement, provided continued benefit was expected.

The primary endpoint is ORR as assessed by a Blinded Independent Review Committee ("**BIRC**") in accordance with RECIST v1.1. Secondary endpoints include investigator-assessed ORR; DoR, DCR and PFS as assessed by both the BIRC and investigators; OS; quality of life assessed using the EORTC QLQ-C30 and GI.NET21 questionnaires; the proportion of hypertensive subjects achieving a ≥50% reduction from baseline in antihypertensive medication use sustained for more than six months; and safety assessments, including adverse events, vital signs, physical examinations, laboratory tests and ECG findings.

Trial Status. We received ethics committee approval for the initiation of the Phase III clinical trial in June 2026, and initiated the clinical trial in the same month.

Phase III Clinical Trial of XTR008 in Patients with G1 or G2 GEP-NETs

Trial Design. This is a multicenter, randomized, open-label, parallel-controlled Phase III clinical trial designed to evaluate the efficacy and safety of XTR008 monotherapy in patients with G1 or G2 GEP-NETs, as well as to assess the radiation dosimetry and pharmacokinetic profile following a single dose. The study was solely sponsored and independently conducted by us in China. A total of 196 patients enrolled in this study. The enrolled patients were randomized in a 1:1 ratio to receive either XTR008 (treatment group) or somatostatin LAR (control group). In the treatment group, patients received XTR008 at a dose of 7.4 GBq (200 mCi) ±10% per administration, administered intravenously once every eight weeks for a total of four doses. In the control group, patients received somatostatin LAR at a dose of 60 mg, administered intramuscularly once every four weeks until disease progression. If disease progression occurred, further treatment could also be continued upon the investigator's judgment and sponsor's agreement, provided continued benefit was expected.

The primary objective of the study is to determine whether XTR008 offers superior PFS compared to high-dose somatostatin LAR in patients with inoperable or metastatic, progressive, well-differentiated (G1 or G2), SSTR-positive GEP-NETs. Secondary objectives include evaluating additional efficacy endpoints, assessing health-related quality of life, and comparing the safety and tolerability between the two treatment groups.

Trial Status. We initiated the study in August 2022, and completed interim analysis of this study in November 2024. The primary endpoints of this clinical trial were met in the completed interim analysis.

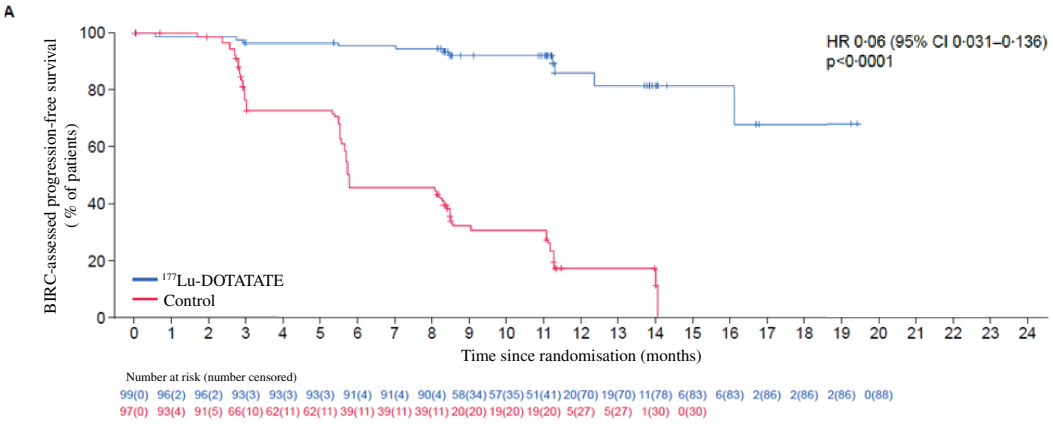
Safety Profile. In the treatment and control groups, the incidence of TEAEs related to the study drug was 95.9% and 57.3%, respectively. The incidence of treatment-emergent serious adverse events related to the study drug during the treatment period was 6.1% in the treatment group and 3.1% in the control group. Grade ≥3 TEAEs related to the study drug occurred in 51.0% of patients in the treatment group vs. 10.4% in the control group. TEAEs related to XTR008 leading to treatment interruption (i.e., dosing delays) occurred in 6.1% and 1.0% of patients; TEAEs leading to dose reduction occurred in 14.3% vs. 1.0%; and TEAEs related to XTR008 leading to permanent treatment discontinuation occurred in 8.2% vs. 0%, in the treatment group and in the control group respectively. No TEAE led to withdrawal from the study. One TEAE resulting in death occurred, but it was deemed unrelated to the study drug. Adverse events of special interest in the treatment group occurred in 31.6% of patients, including bone marrow suppression (30 cases, 30.6%), myelodysplastic syndrome (MDS, 1.0%), and renal impairment (2.0%). No cases of acute myeloid leukemia or other secondary malignancies were reported.

The most common study drug-related TEAEs (≥10% incidence in the treatment group vs. control group) included: decreased lymphocyte count (72.4% vs. 2.1%), decreased white blood cell count (68.4% vs. 1.0%), anemia (54.1% vs. 0%), decreased platelet count (49.0% vs. 2.1%), decreased neutrophil count (46.9% vs. 1.0%), elevated AST (30.6% vs. 12.5%), nausea (30.6% vs. 4.2%), elevated ALT (29.6% vs. 10.4%), decreased appetite (17.3% vs. 1.0%), elevated alkaline phosphatase (15.3% vs. 6.3%), elevated GGT (15.3% vs. 4.2%), vomiting (15.3% vs. 2.1%), fatigue (12.2% vs. 1.0%), alopecia (11.2% vs. 0%), and asthenia (10.2% vs. 3.1%).

For Grade ≥3 TEAEs related to the study drug with an incidence ≥10%, the most common events (treatment group vs. control group) were: decreased lymphocyte count (41.8% vs. 0%), decreased white blood cell count (15.3% vs. 0%), decreased neutrophil count (11.2% vs. 0%), and decreased platelet count (11.2% vs. 0%). Although the overall incidence of Grade ≥3 TEAEs was numerically higher in the treatment group, most were laboratory abnormalities, primarily asymptomatic and reversible, with Grade ≥3 lymphopenia being the most common (41.8%) and not requiring clinical intervention.

Efficacy Profile. In this study, XTR008 demonstrated significantly improved PFS compared to somatostatin LAR, with a median PFS not reached vs. 5.8 months.

Assessment of PFS Based on BIRC



Source: Company data

In the treatment group, a total of 11 subjects (11.1%) experienced an endpoint event, including seven cases (7.1%) of disease progression and four cases (4.0%) of death. The median PFS was not reached. In the control group, 67 subjects (69.1%) experienced an endpoint event, with 66 cases (68.0%) of disease progression and 1 case (1.0%) of death. The median PFS was 5.8 months.

Out of the total 99 patients, 43 were confirmed to have a PR by the BIRC evaluation, with no CR, resulting in ORR of 43.4%. In the control group, out of the total 97 patients, one patient was confirmed to have a PR by the BIRC evaluation, with no CR, resulting in an ORR of 1.0%.

Out of the total 99 patients, 94 were confirmed by BIRC as having PR or SD, with no CR, resulting in a DCR of 94.9%. In the control group, out of the total 97 patients, 70 were confirmed by BIRC as having PR or SD, with no CR, resulting in a DCR of 72.2%.

Among the 43 patients (43.4%) in the treatment group who achieved a response, only one patient (1.0%) experienced disease progression and only one patient (1.0%) died. The median DoR was not reached. In the control group, only one patient (1.0%) achieved a partial response, who had not experienced disease progression at the time of analysis, and the median DoR was NR.

A Summary of Efficacy Results

	XTR008 N = 99	**Somatostatin LAR N = 97**
PFS by BIRC		
Events (%)	11 (11.1)	67 (69.1)
Progressive disease, n (%)	7 (7.1)	66 (68.0)
Death, n (%)	4 (4.0)	1 (1.0)
Median in months (95% CI)	NR (16.13, NE)	5.8 (5.65, 8.41)
Hazard ratio (95% CI)[a]		0.06 (0.031, 0.136)
p-value[b]		< 0.001
ORR by BIRC		
ORR, % (95% CI)	43.4% (33.50%, 53.77%)	1.0% (0.03%, 5.61%)
Complete response rate, n (%)	0	0
Partial response rate, n (%)	43 (43.4%)	1 (1.0%)
Stable Disease rate, n (%)	51 (51.5%)	69 (71.1%)
p-value[c]		< 0.001
Duration of response, median in months (95% CI)	NR (8.41, NE)	NR (NE, NE)
DCR by BIRC		
DCR, % (95% CI)	94.9% (88.61%, 98.34%)	72.2% (62.14%, 80.79%)
p-value		< 0.001

Abbreviations: CI = confidence interval; IRC = independent radiology committee; NE = not evaluable; NR = not reached; ORR = overall response rate; PFS = progression-free survival.

Notes: a: Hazard ratio based on the stratified Cox model; b: stratified log-rank test; and c: Fisher's exact test.

Source: Company data

Conclusion. For adult patients with inoperable or metastatic, progressive, well-differentiated (G1 or G2), SSTR-positive GEP-NETs, XTR008 significantly improved multiple efficacy endpoints – including PFS and ORR – compared with high-dose octreotide acetate microspheres. At the same time, it demonstrated a manageable overall safety profile and good tolerability. The adverse event profile is similar to that of the reference drug Lutathera®, with no new safety signals observed.

Phase II Clinical Trial of XTR008 in Patients with SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins

Trial Design. This study is an open-label, single-arm Phase II clinical trial to evaluate the safety and efficacy of XTR008 in the treatment of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. The trial was solely sponsored and independently conducted by us in China. A total of 20 patients were enrolled in this clinical trial. The study drug, XTR008, provided at a concentration of 370MBq/mL, was administered intravenously at a dose of 7.4 GBq (200 mCi) per administration, given once every eight weeks for a total of four doses.

The primary objective was to evaluate the safety, with the primary endpoints including AEs and other abnormal laboratory/test findings, as well as preliminary efficacy. Secondary objectives were to determine the efficacy endpoints, with endpoints encompassing ORR, PFS, DoR, TTP, DCR, 12-month PFS rate, OS, the proportion of patients achieving a ≥50% reduction in antihypertensive medication use from baseline sustained for more than 6 months, and patient-reported outcomes assessed using the EORTC QLQ-C30 and GI.NET21 questionnaires, which are valid and responsive tool for assessing quality of life in cancer patients.

Trial Status. We initiated this trial in June 2024, and completed the trial in February 2026. The primary endpoints of the trial were met in November 2025.

Safety Profile. A total of 20 subjects were enrolled in the completed Phase II clinical trial and received treatment with XTR008. The study population included six patients with G3 GEP-NET, seven patients with PPGL, and seven patients with other non-gastroenteropancreatic NENs. All 20 subjects completed the planned four treatment cycles, with a median administered dose of 811.66 mCi. The incidence of TEAEs was 100%, and the incidence of TRAEs was also 100%. Grade ≥3 TRAEs occurred in 40% of subjects, all of which were Grade 3 lymphocyte count decreased.

The most common TRAEs included lymphocyte count decreased (17 cases, 85%), platelet count decreased (12 cases, 60%), white blood cell count decreased (11 cases, 55%), neutrophil count decreased (seven cases, 35%), anemia (five cases, 25%), increased aspartate aminotransferase (five cases, 25%), increased alanine aminotransferase (four cases, 20%), and nausea (four cases, 20%).

No TEAEs led to dose reduction, permanent treatment discontinuation, study withdrawal, or death. Two subjects (10%) experienced AEs of special interest, both Grade 2 platelet count decreased occurring after the final dose; both cases resolved after medical treatment. Two subjects experienced a total of four SAEs, including arrhythmia, herpes zoster, secretory otitis media, and coronary heart disease. All SAEs were considered unrelated to XTR008. No drug-related SAEs were reported.

Efficacy Profile. All subjects completed at least one tumor assessment. Among the 20 subjects, 12 achieved a confirmed best overall response of PR, resulting in an ORR of 60% and a DCR of 100%. At a median follow-up of 16.36 months, the median DOR had not yet been reached.

In the G3 GEP-NET cohort, five of six subjects achieved PR, with an ORR of 83.3%. In the PPGL cohort, three of seven subjects achieved PR, with an ORR of 42.9%. Among patients with other primary NENs, four of seven achieved PR, corresponding to an ORR of 57.1%.

With a median follow-up of 16.36 months, the median DOR, PFS, TTP, and OS had not yet been reached. Two subjects experienced disease progression, both in the G3 GEP-NET cohort, with PFS of 8.3 months and 14.1 months, respectively.

Conclusion. XTR008 demonstrated encouraging efficacy (ORR 60%, DCR 100%) and favorable tolerability. The primary endpoint was reached, thereby supporting the early conclusion of this clinical trial and progression to the next stage of clinical development.

XTR008 demonstrated an ORR of 60% with a manageable safety profile, representing a clinically meaningful improvement compared with historical data for the existing standard of care. After a median follow-up of 16.36 months, although the median DOR had not yet been reached, the observed DOR was encouraging and compared favorably with historical outcomes for the current standard of care, while being superior to or comparable with the efficacy reported for PRRT in the literature. In addition, no new safety signals were observed among the 20 participants enrolled in the Phase II clinical trial for the target indication. Also, given the significant unmet medical needs of the target patient population and based

on our communications with the NMPA on its efficacy and safety observations, we decided to conclude the Phase II clinical trial without continuing the trial solely to complete the assessment of the secondary endpoints. We did not make any changes to the primary endpoints of the study.

Phase II Clinical Trial of XTR008 in Patients with Meningioma

Trial Design. This is a randomized, open-label, parallel-controlled Phase II clinical trial designed to evaluate the safety and efficacy of XTR008 monotherapy and XTR008 in combination with bevacizumab injection in patients with SSTR-positive, recurrent or refractory meningioma. This trial is independently sponsored and conducted by us in China. We plan to enroll approximately 45 to 90 patients. In this trial, patients will be randomized in a 1:1:1 ratio into three treatment groups: (i) the XTR008 treatment group, comprising approximately 15 to 30 patients; (ii) the XTR008 plus bevacizumab treatment group, comprising approximately 15 to 30 patients; and (iii) the bevacizumab treatment group, comprising approximately 15 to 30 patients. For XTR008, each treatment cycle is eight weeks, with XTR008 administered on Day 1 at a dose of 7.4 GBq (200 mCi) ±10% per administration, for a total of four administrations; while for bevacizumab, each treatment cycle is eight weeks, with intravenous administration on Days 1, 15, 29 and 43 at a recommended dose of 10 mg/kg every two weeks.

The primary endpoint of the Phase II clinical trial is the six-month progression-free survival rate. Secondary endpoints include OS, ORR, DoR, DCR, time to progression, EORTC QLQ-C30 and BN20 questionnaire assessments, AEs, and radiation dosimetry parameters, among others.

Trial Status. We received IND approval from the NMPA for conducting this trial in September 2026. As of the Latest Practicable Date, we were in preparation for the initiation of this trial.

Clinical Development Plan

We have completed interim analysis of the registrational Phase III clinical trial of XTR008 for the treatment of G1 or G2 GEP-NENs in China, with an NDA accepted by the NMPA in April 2025. We expect to receive NDA approval in December 2026.

Additionally, we have completed a Phase II clinical trial of XTR008 as a Class 2 chemical drug for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. We received the regulatory clearance to proceed with a Phase III clinical trial in March 2026, and initiated the trial in June 2026. We expect to complete this Phase III clinical trial in the second half of 2028.

Furthermore, following IND approval by the NMPA, we plan to expand the indications of XTR008 to meningioma. Meningioma is the most common primary central nervous system tumor, accounting for approximately one-quarter of all intracranial tumors. For recurrent high-grade meningioma, there are currently no clearly approved systemic therapies. Standard treatment primarily relies on repeat surgery and radiotherapy; however, efficacy is limited and may further compromise neurological function. Therefore, the development of more targeted therapeutic strategies capable of providing meaningful clinical benefit has become an urgent need in the treatment of recurrent meningioma.

SSTR2 is highly expressed in the majority of meningiomas (80% to 95% of cases) and is considered a promising diagnostic and therapeutic target. Several small retrospective studies have explored the use of ^{177}Lu-DOTATATE in patients with meningioma. A recent individual patient-level meta-analysis including six eligible cohort studies (N=111) of patients with refractory meningioma treated with SSTR-targeted radioligand therapy reported a disease control rate of 63%. The 12-month OS rates for WHO Grade 1, 2, and 3 patients were 88%, 71%, and 52%, respectively. In addition, a study of 42 patients with progressive meningioma reported a disease control rate of 57%, a median PFS of 16 months, and a median OS of 36 months. Interim results from an ongoing clinical trial (NCT03971461) demonstrated that among 14 patients with progressive meningioma (3 WHO Grade 1, 10 Grade 2, and 1 Grade 3) treated with ^{177}Lu-DOTATATE, 50% achieved 6-month PFS, and all patients achieved radiographic disease stabilization based on the modified Macdonald criteria. Given the significant medical need and the promising therapeutic potential of ^{177}Lu-DOTATATE in meningioma, we plan to advance XTR008 into clinical development for meningioma based on the IND approval received for conducting Phase II clinical trials of XTR008 for meningioma in September 2026. We expect to initiate such clinical trial March 2027, and complete the trial in the second half of 2028.

We plan to submit an application to extend the shelf life concurrently with the NDA submission for XTR008 for SSTR-positive G3 GEP-NETs, PPGLs and NENs of other origins, which is expected to occur in 2029. We have not yet communicated with the NMPA regarding the proposed extension of the shelf life. As of the Latest Practicable Date, we had successfully conducted multiple batches of studies and obtained stable stability data demonstrating the technical feasibility of extending the shelf life potentially beyond three days, while continuing to meet key quality standards, including HPLC, ITLC and pH requirements.

In particular, five-day stability data have been obtained for multiple batches of XTR008 test samples, and at least a portion of the five-day stability data have been included as experimental data in patent applications filed by us. In accordance with the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), we plan to conduct the requisite stability studies adopting study designs tailored to meet the NMPA's review requirements for extending the shelf life and prepare the relevant regulatory submission materials in due course.

Supply Chain and Contingency Plan

Upon receiving NDA approvals from the NMPA for XTR008 for the treatment of SSTR-positive G1/G2 GEP-NETs, we plan to initiate procedures with the NMPA regarding the addition of suppliers of ^{177}Lu other than INPC, in accordance with the Measures for the Administration of Post-Marketing Changes to Drugs (Trial) (《藥品上市後變更管理辦法(試行)》) and the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》). The NMPA does not restrict us from adding local supplier candidates, but such process would require additional regulatory procedures. As of the Latest Practicable Date, we had conducted quality comparability studies on the carrier-free ^{177}Lu produced by other local suppliers in Sichuan Province, which we plan to add to the supplier list of carrier-free ^{177}Lu for XTR008. The results showed that the carrier-free ^{177}Lu produced by such local suppliers fully met the applicable pharmacopoeial standards and our internal specifications for carrier-free ^{177}Lu as submitted for XTR008, and was substantially comparable in quality to carrier-free ^{177}Lu supplied by INPC. We plan to commence necessary technology transfer and research studies required for the regulatory procedures, including process validation and testing of three batches of the drug product, quality comparability studies and stability studies. Upon completion of such activities, we will promptly prepare the registration submission materials. We do not expect the addition of suppliers to have any material adverse impact on the clinical development of XTR008, our operations or our financial performance. We do not plan to initiate regulatory procedures for adding carrier-free ^{177}Lu supplier(s) prior to XTR008 NDA approval, as such a request would invite unnecessary inquiries, extend the timeframe of pivotal studies, and require additional resources and efforts for validation, which could potentially delay the clinical development process and adversely affect the clinical advancement of XTR008. Accordingly, we intend to initiate the related regulatory procedures following NDA approval. The entire regulatory procedures and approval process for adding new ^{177}Lu supplier(s) is generally expected to take approximately 12 to 18 months, as confirmed by CIC. We do not foresee any impediments for adding additional carrier-free ^{177}Lu suppliers for XTR008.

Furthermore, we plan to add Mianyang facility as a contract manufacturing site after the NDA approval of XTR008 for the treatment of SSTR-positive G1/G2 GEP-NETs to expand production capacity. The Mianyang facility has already obtained a Radiation Safety Permit (《輻射安全許可證》) and a Radioactive Drug Manufacturing License (《放射性藥品生產許可證》). Pursuant to the NMPA's Administrative Measures for Post-Approval Changes to Drugs (Trial) (《藥品上市後變更管理辦法(試行)》). We plan to submit an application to the regulatory authority to amend our manufacturing license to add the Mianyang facility after NDA approval. As of the Latest Practicable Date, we had completed the qualification of the equipments for the relevant production line at the Mianyang facility, which met the requirements used for XTR008. Prior to submitting the application, we will conduct technology transfer at the Mianyang facility as required by regulatory procedures, including analytical method and manufacturing process transfer, process validation, quality comparability studies, and stability studies. Upon completion of such activities, we will promptly prepare the submission materials and submit the regulatory application as soon as practicable after NDA approval. We do not expect the addition of more manufacturing sites to have any material adverse impact on the clinical development of XTR008, our operations, or our financial performance. As confirmed by CIC, the entire regulatory procedures for adding the Mianyang facility as an additional manufacturing site for XTR008 is generally expected to take approximately 9 to 12 months. We do not foresee any impediments to adding additional manufacturing sites for XTR008.

Collaboration with INPC

INPC has been, and will remain as, the sole supplier of ^{177}Lu for the production of XTR008 for at least 12 to 18 months after the NDA approval of XTR008 for the treatment of G1 or G2 GEP-NENs in China. INPC is also the sole manufacturer of XTR008 and expected to remain so until at least 2028 before we complete the appointment of additional suppliers. Nevertheless, for the following reasons, we believe that we are able to maintain a stable and continuous supply of XTR008 notwithstanding it is currently being the sole supplier of ^{177}Lu for, and the sole manufacturer of, XTR008:

Long-standing collaboration since July 2019, with mutual trust, clear roles and collective problem-solving during the development of XTR008;

Proven track record as evidenced by the supply of carrier-free ^{177}Lu that has not adversely affected the continuity of clinical supply of XTR008, and the on-time delivery of over 100 batches of XTR008 since 2022;

Stringent internal controls whereby INPC's supply ^{177}Lu as well as its production facilities and manufacturing process are examined by us every six months. Also, we supervise INPC to ensure the timely calibration, validation and maintenance of such manufacturing and quality-control equipment in accordance with applicable regulatory requirements, and periodically review and conduct retrospective analyses of INPC's manufacturing quality system, with a view to ensuring that potential risks that may affect supply stability and manufacturing quality are effectively controlled or promptly and appropriately addressed;

On-site supervision by the stationing of our production and quality personnel at INPC's site, which enables us to identify and address potential issues promptly, and coordinate and discuss with INPC efficiently to prevent and minimize any unexpected incident relating to the production of XTR008;

Contingency arrangements to include additional suppliers of carrier-free ^{177}Lu, and CMO for the manufacturing of XTR008, for which we have (i) completed a preliminary selection of qualified supplier candidates for carrier-free ^{177}Lu, (ii) obtained the Radiation Safety Permit (《輻射安全許可證》) and the Radiopharmaceutical Production License (《放射性藥品生產許可證》) for our Mianyang facility, and (iii) initiated preparation of the relevant manufacturing and testing equipment for XTR008.

Before successfully adding additional carrier-free ^{177}Lu suppliers and the Mianyang facility as an additional manufacturing site, we estimate that, under a worst-case scenario, a sporadic equipment malfunction requiring repair could result in a temporary suspension of the production and supply of XTR008 for approximately two to three weeks due to (1) the shortage of raw materials or reagents, and/or (2) the equipment failure. We estimate that any supply interruption caused by a shortage of raw materials or reagents required for the preparation of ^{177}Lu or XTR008 can be resolved within approximately three weeks by having INPC procure from alternative sources. This estimated time period is based on our historical experience in procuring raw materials and reagents from alternative sources, as well as our existing inventory levels of such materials. Any interruption caused by equipment failure during the preparation of ^{177}Lu or XTR008 can be resolved within approximately one week by repairing the equipment. This estimated time period is based on the availability of our on-site personnel, their responsibility to promptly report any equipment failures, and the availability of sufficient spare parts and components for the equipment. For details of the risks associated with INPC's manufacturing of XTR008 before we successfully add additional ^{177}Lu suppliers or additional manufacturing sites for XTR008, see "Risk Factors – Material Risks Relating To Our Business."

Licenses, Rights and Obligations

XTR008 was self-developed by us. We have been collaborating with INPC with respect to the development of XTR008, and have maintained overall control throughout the process. Starting in July 2019, we entered into a series of agreements (the "**XTR008 Collaboration Agreements**") with the INPC to develop XTR008, i.e., ^{177}Lu-DOTATATE injection. For details regarding the XTR008 Collaboration Agreements, see "– Collaboration Arrangements." During the collaboration, we have led and maintained full control over the development and manufacturing of XTR008 throughout its development to date, and expect to continue to lead and fully control its further development, manufacturing and commercialization. Specifically, we conceived the product design of XTR008 and independently undertook the clinical trial design, regulatory affairs activities, including engaging in communications with the NMPA and submitting the relevant IND applications and NDA, and handling clinical trial execution. We have also led the CMC activities in relation to XTR008, in particular the ^{177}Lu radiolabeling, analytical testing and controls, stability studies, and regulatory documentation. We will be the sole marketing authorization holder of XTR008. Upon commercialization, we will be the marketing authorization holder of XTR008 and solely responsible for its commercialization in China. Prior to 2024, INPC was the only institution in China with the capability to produce ^{177}Lu, according to CIC. It has the capability to produce ^{177}Lu and agreed to exclusively supply ^{177}Lu for our production of ^{177}Lu-DOTATATE. The XTR008 Collaboration Agreements focus on the manufacturing of ^{177}Lu and the supply of XTR008 during the clinical development stage. INPC's role in the development of XTR008 is limited to the supply of ^{177}Lu for XTR008, the production of XTR008 for clinical trials and certain supporting work in the capacity of a radionuclide supplier and CRO/CDMO during regulatory filings. We have global rights to develop, manufacture and commercialize XTR008, and maintain full control over the R&D, manufacturing, and commercialization activities of XTR008.

Material Communications with Competent Authorities

Our communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for XTR008 are outlined as follows:

- In March 2022, based on our pre-IND communication with the NMPA, we received IND approval from the NMPA to initiate a Phase III clinical trial of XTR008 for the treatment of G1 or G2 SSTR-positive GEP-NETs. According to our pre-IND communication, the NMPA required us to conduct the Phase III clinical trial and agreed that we do not need to conduct a Phase II clinical trial of XTR008 for the treatment of G1 or G2 SSTR-positive GEP-NETs.

- In January 2024, based on data collected from the completed studies evaluating the radiation dosimetry, pharmacokinetics, and preliminary safety and efficacy of XTR008 for the treatment of G1 or G2 SSTR-positive GEP-NETs, we received IND approval from the NMPA for conducting Phase II clinical trials of XTR008 for the treatment of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins.
- In March 2024, we submitted a communication request to the CDE regarding the Phase III clinical trial of XTR008, proposing to add an interim analysis and establish an Independent Data Monitoring Committee for evaluation. In July 2024, the CDE approved the addition of the interim analysis. The results of the interim analysis indicated that the trial had reached its primary endpoint of the Phase III clinical trial with statistical significance ahead of schedule.
- In September 2024, based on the data from our completed interim analysis of the Phase III clinical trial, which has completed studies assessing radiation dosimetry, pharmacokinetics and preliminary safety and efficacy of XTR008, and also met the primary endpoint of the Phase III clinical trial in terms of safety and efficacy, we consulted with the CDE regarding the submission of an NDA for XTR008 for the treatment of adult and pediatric patients of 12 years and older with SSTR-positive GEP-NETs, including foregut, midgut, and hindgut neuroendocrine tumors. In December 2024, we received regulatory clearance from the NMPA for the NDA submission. The NDA was accepted by the NMPA in April 2025.
- In October and December 2025, two separate interviews were conducted with a senior examiner and a project manager of the CDE, respectively, with the attendance of professional parties, which confirmed, among others, that the studies of XTR008 assessing radiation dosimetry, pharmacokinetics, and preliminary safety and efficacy of XTR008 for G1 or G2 SSTR-positive GEP-NETs had been completed, and, based on the data collected from the completed studies, that the NMPA had no objection to our commencement of the Phase II clinical trial of XTR008 as a monotherapy for the treatment of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins.
- In January 2026, in response to our submitted NDA for XTR008 for the treatment of G1 or G2 SSTR-positive GEP-NETs, we received a notice from the Center for Drug Evaluation requesting supplemental documents, including submitting study results related to ligand process and quality control, radionuclide solution process and quality control, and final radiopharmaceutical product, but no additional clinical data was required.
- In January 2026, we engaged in pre-Phase III communication with the NMPA. In March 2026, based on the clinical data of primary endpoints collected from the completed Phase II clinical trial of XTR008 as a monotherapy for the treatment of SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins, we received the regulatory clearance from the NMPA to initiate the Phase III clinical trial, which constituted a "no objection" from the NMPA.
- In June 2026, based on data collected from the completed studies evaluating the radiation dosimetry, pharmacokinetics, and preliminary safety and efficacy of XTR008 for the treatment of G1 or G2 SSTR-positive GEP-NETs, we submitted the IND application of XTR008 for meningioma to the NMPA. In September 2026, we received the IND approval from the NMPA for conducing Phase II clinical trials.

We have not received any concerns or objections from the NMPA related to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY MARKET XTR008 FOR THE TREATMENT OF GRADE 1 OR GRADE 2 GEP-NETS IN CHINA AND DEVELOP AND MARKET XTR008 FOR THE TREATMENT OF G3 GEP-NETS/PPGLS/NENS OF OTHER ORIGINS SUCCESSFULLY.

Core Product – XTR004 – ^{18}F-labeled mitochondrial complex I-targeted PET-MPI Tracer

Our Core Product XTR004 (Flormotridaz (^{18}F) injection) is a ^{18}F-labeled mitochondrial complex I-targeted diagnostic radioligand for PET-MPI. Following intravenous injection, it enables dynamic PET imaging for the evaluation of myocardial perfusion and myocardial blood flow, which can be clinically useful in detecting myocardial ischemia caused by flow-limiting stenoses in epicardial arteries, CMD, or both. MPI is widely recognized as a valuable tool for addressing clinical challenges related to unnecessary coronary angiography and interventional procedures, particularly stent implantation. XTR004 can help assess the necessity of stent implantation in patients with CAD, thereby minimizing patient suffering and reducing the financial burden associated with unwarranted procedures. As of the Latest Practicable Date,

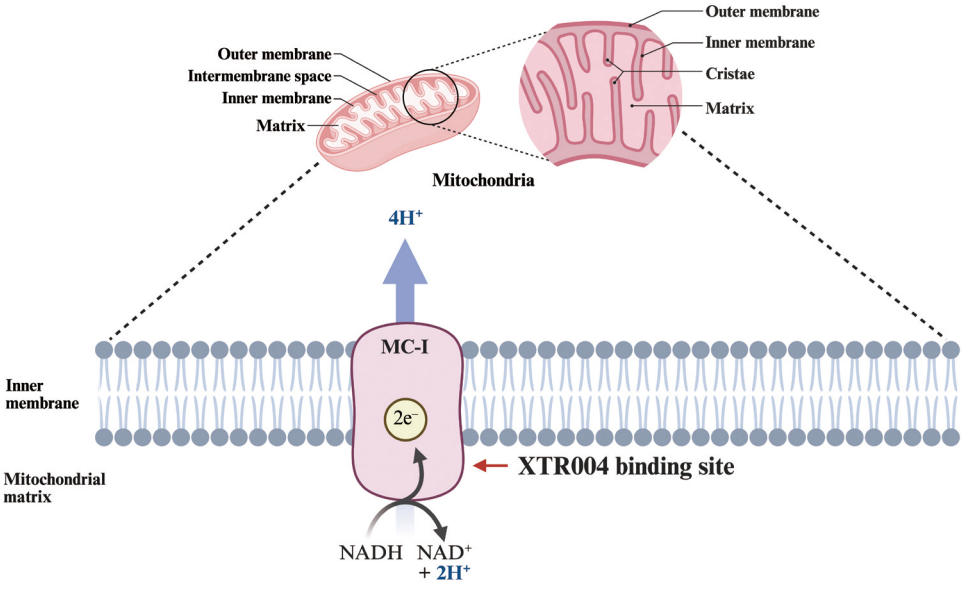
we had completed a Phase I clinical trial and two Phase II clinical trials for the diagnosis of myocardial ischemia originated by flow-limiting stenoses in epicardial vessels. In August 2025, we obtained approval from the ethics committee to conduct a Phase III clinical trial of XTR004 in patients with CAD. We initiated the Phase III clinical trial in November 2025, and plan to complete patient enrollment of the Phase III clinical trial in the fourth quarter of 2027.

Mechanism of Action

Developed primarily for use in PET, XTR004 targets mitochondrial complex I in myocytes. When administered, XTR004 is taken up by myocytes in proportion to blood flow, allowing for the determination of myocardial perfusion. Once trapped within the heart muscle, the radiolabeled tracer emits positrons, which are detected by PET imaging systems.

Potential applications of XTR004 include, for example: (a) assessing myocardial ischemia from flow-limiting stenoses in epicardial vessels: XTR004 can help assess myocardial ischemia resulting from stenoses in epicardial arteries that cause reduced coronary flow; (b) assessing ischemia from coronary microvascular dysfunction ("**CMD**"): XTR004, combined with myocardial blood flow ("**MBF**") quantification, can help doctors assess how much blood is reaching the heart muscle in real time, measured in quantitative units (ml/min/g).

The high-resolution images produced by XTR004 can detect even small perfusion defects, which are often missed by other imaging modalities like SPECT. The superior resolution of PET imaging, combined with the ability to perform dynamic scans for MBF quantification, enables XTR004 to provide highly accurate imaging for the comprehensive detection of myocardial ischemia caused by flow-limiting stenoses in epicardial arteries, CMD, or both.



Source: Company data

Market Opportunities and Competition

CAD is a pathological condition characterized by the accumulation of atherosclerotic plaques in the epicardial arteries, which can be either obstructive or non-obstructive. According to CIC, the number of CAD patients globally and in China amounted to 316.6 and 11.5 million, respectively, in 2024 and is expected to reach 323.8 million and 12.4 million, respectively, in 2036.

The diagnosis of CAD begins with assessing chest pain or chest pain-like symptoms. First, acute coronary syndrome is ruled out based on guidelines. The likelihood of chronic coronary syndrome is then clinically assessed, categorized into low, intermediate, or high. For low likelihood, medication therapy is considered. For intermediate likelihood, non-invasive cardiac imaging tests, such as coronary computed tomography angiography, stress testing with echo, SPECT imaging or PET imaging, MRI, are recommended. For high likelihood, invasive coronary angiography is recommended, supplemented with FFR assessment to accurately evaluate the functional significance of intermediate coronary lesions. Auxiliary tests include lab work, ECG, and chest X-ray support the diagnosis of CAD.

Although structural imaging such as coronary CTA and coronary angiography visualize coronary anatomy and detect stenosis, it cannot determine if a luminal narrowing causes ischemia. Functional measurement – including stress echocardiography, SPECT imaging, PET imaging, CMR, and pressure wire-based FFR measurement – assesses the physiological impact of flow-limiting lesions by evaluating myocardial perfusion or hemodynamic significance. Compared to structural imaging, functional measurement more accurately identifies ischemia, improves risk stratification, and guides treatment decisions, especially when anatomy and symptoms do not match or in cases of microvascular dysfunction.

The use of pressure wire for measuring FFR has several shortcomings, primarily due to its invasive procedure and the associated patient suffering. It requires coronary catheterization, which carries risks such as vascular injury, bleeding, or infection. Additionally, the procedure involves manipulating a delicate wire through complex or tortuous coronary lesions, which can be technically challenging and time-consuming. In some cases, the pressure wire may fail to detect subtle flow abnormalities, such as those caused by capillary vessels, limiting its diagnostic accuracy.

Therefore, radionuclide myocardial imaging plays a vital role in the diagnosis, risk stratification, detection of viable myocardium, treatment planning, efficacy evaluation, and prognosis assessment. MPI with SPECT, most commonly using ^{99m}Tc-MIBI radiotracer, is a non-invasive method for diagnosing myocardial ischemia and identifying ischemic regions in patients with CAD. However, SPECT-MPI is limited to qualitative assessments and lacks adequate sensitivity for detecting multi-vessel disease and microvascular dysfunction, which may result in missed or inaccurate diagnoses.

As of the Latest Practicable Date, our Core Product XTR004 was the first and only PET-MPI tracer under clinical development in China. For details regarding the competitive landscape of radionuclide myocardial imaging PET tracers, see "Industry Overview – Major Indications – CAD."

Competitive Advantages

Optimizations of XTR004 to Comprehensively Improve Its Process, Formulation, and Clinical Development

After acquiring the relevant patent rights for XTR004, see "– Collaboration Arrangements" for details, we independently carried out extensive and innovative R&D work. We optimized the precursor synthesis, radiolabeling process, and formulation development of XTR004, as well as conducted preclinical studies and clinical development plan optimization, completed the IND application to the NMPA, and secured the IND approval as a Class 1 innovative drug. In addition, we designed and completed Phase I and Phase II clinical trials to preliminarily validate the efficacy and safety of XTR004 injection for myocardial perfusion imaging.

Clinical Design Optimization

As of the Latest Practicable Date, the only comparable product globally was Flyrcado by GE, a radioactive diagnostic drug indicated for PET-MPI under rest or stress conditions (pharmacologic or exercise) in adult patients with known or suspected CAD to assess myocardial ischemia and infarction. Its clinical trial design uses coronary angiography as the reference standard, which only validates its application to detect myocardial ischemia due to structural lesions in epicardial arteries.

The clinical trial design for XTR004 includes not only coronary angiography as a reference standard but also introduces FFR measurement via pressure wire, which quantifies the functional significance of coronary artery narrowing in limiting myocardial blood flow as an additional benchmark. This enables validation of XTR004 as a non-invasive diagnostic for both epicardial coronary artery stenosis and functional abnormalities leading to myocardial ischemia. Beyond PET myocardial perfusion imaging, XTR004 also supports myocardial blood flow quantification through dynamic PET imaging. This dual capability allows for simultaneous detection of epicardial and microvascular myocardial ischemia in clinical practice, providing a more comprehensive assessment of myocardial ischemia. Ultimately, it supports the realization of personalized and precision diagnosis and treatment of CAD in China.

Improved Accuracy Compared to Other Functional Imaging Methods

^{99m}Tc-MIBI, the most commonly used myocardial perfusion imaging tracer in clinical practice, uses SPECT imaging. However, there are several issues with its clinical application: First, SPECT imaging can only qualitatively assess myocardial ischemia and lacks sufficient sensitivity in evaluating multi-vessel disease and microcirculation lesions, often leading to missed diagnoses. Second, if a one-day protocol is used for rest and stress testing, the entire process lasts 5 to 6 hours, while a two-day protocol requires patients to visit the hospital on two consecutive days, which is time-consuming and labor-intensive.

PET myocardial perfusion imaging effectively addresses the drawbacks of SPECT imaging. On one hand, PET myocardial blood flow quantitation offers superior resolution and more precise image attenuation correction techniques, allowing for absolute quantification of myocardial blood flow that covers the entire spectrum of vascular lesions, including large vessel disease, microvascular disease, and myocardial lesions. On the other hand, compared to one-day SPECT-MPI protocols, PET-MPI takes only 30 to 50 minutes, significantly improving medical efficiency.

PET myocardial blood flow imaging significantly reduces unnecessary coronary angiography and invasive FFR tests, guiding treatment decisions while significantly shortening examination time, facilitating clinical application and promotion.

Significant Clinical Benefits and Limited Competition

MPI primarily addresses the clinical challenges posed by excessive coronary angiography and interventional treatments, particularly stent implantation, in patients with CAD. In 2024, about half of these patients undergoing coronary angiography due to suspected CAD. Currently, the mortality rate associated with coronary angiography is approximately 0.08%. By enabling early diagnosis through myocardial perfusion imaging, unnecessary coronary angiography can be avoided, thereby reducing the risk of death associated with the procedure. Additionally, in 2024, among approximately 1.7 million patients undergoing percutaneous coronary intervention with stent implantation, at least 200,000 cases showed no significant myocardial ischemia. MPI can help determine whether percutaneous coronary intervention is necessary, thereby reducing the patient's suffering and the financial burden associated with unnecessary procedures.

As of the Latest Practicable Date, XTR004 was the only PET-MPI tracer under clinical development in China. On the global scale, Flyrcado (^{18}F-Flurpiridaz) from GE was the only product that has received marketing approval in the U.S., with approval granted in September 2024. To enter the Chinese market, it will first require bridging clinical studies, which may take several years to complete and had not been initiated as of the Latest Practicable Date. XTR004, currently in Phase III clinical development in China, is poised to provide significant clinical benefits to patients with CAD.

Summary of Clinical Trials

As of the Latest Practicable Date, we have completed one Phase I clinical trial and two Phase II clinical trials for XTR004 and are currently conducting a Phase III clinical trial. The first Phase II clinical trial (with 84 enrolled patients) was required by the NMPA to support the initiation of the Phase III clinical trial, and based on its results, we obtained regulatory clearance from the NMPA to proceed with the Phase III clinical trial. The second Phase II clinical trial, in which 17 patients were enrolled, was voluntarily initiated by us and was not a mandatory prerequisite for the NMPA's approval of our Phase III clinical trial. Its initiation was prompted by the NMPA's request to include comparative data against technetium-99m methoxyisobutylisonitrile ("**MIBI**") as a control in the Phase III clinical trial protocol. As such comparison was not included in the first Phase II clinical trial, we voluntarily designed and initiated a second Phase II clinical trial to evaluate the comparison between XTR004 and MIBI with the aim of evaluating and, if possible, enhancing the likelihood of success of the Phase III clinical trial, thereby mitigating the substantial investment risk associated with the pivotal study. After completing this trial, we verified that the data met expectations, which facilitated the smooth initiation of Phase III clinical trial. Nevertheless, this does not imply that initiation of the Phase III clinical trial was contingent upon the initiation or completion of the second Phase II clinical trial.

Phase III Clinical Trial of XTR004 in CAD Patients

Trial Design. This is an open-label, active-controlled, Phase III clinical trial of XTR004 to evaluate its efficacy and safety in detecting flow-limiting stenosis in patients with suspected or known stable CAD. The trial will be solely sponsored and independently conducted by us in China. A total of 395 patients are expected to be enrolled in this trial. Currently, we enrolled 105 patients. Subjects will receive: (1) a bolus intravenous injection of XTR004, with a resting dose of 2.0 to 2.5 mCi and a stress dose of 6.0 to 7.5 mCi, administered with an interval of more than 20 minutes between the two doses; (2) two intravenous injections of ^{99m}Tc-MIBI on the same day, with the first dose of 8 to 12 mCi and the second dose of 24 to 36 mCi, separated by an interval of 0.5 to 4 hours; or alternatively, two doses of 18 to 30 mCi ^{99m}Tc-MIBI on separate days; or (3) an intravenous infusion of adenosine injection at 140 μg/kg/min for 6 minutes.

The primary objective of this trial is to evaluate the efficacy of visual interpretation of XTR004 PET-MPI in detecting flow-limiting stenosis, using the composite reference standard of QCA and FFR.

Secondary objectives include to compare the diagnostic performance, as well as image quality and diagnostic confidence of XTR004 PET-MPI and ^{99m}Tc-MIBI SPECT MPI in detecting flow-limiting stenosis; to evaluate the efficacy of semi-quantitative analysis of XTR004 PET-MPI in detecting flow-limiting stenosis; to assess the efficacy of XTR004 PET-MPI in detecting flow-limiting stenosis across different subgroups; using QCA as the reference standard, to compare the diagnostic performance of XTR004 PET-MPI and ^{99m}Tc-MIBI SPECT MPI in detecting flow-limiting stenosis; and to evaluate the safety of administering two bolus intravenous injections of XTR004 to patients with suspected or known stable CAD.

Trial Status. In February 2025, we obtained regulatory clearance from the CDE to conduct this trial. In August 2025, we obtained approval from the ethics committee to conduct this clinical trial, and initiated the clinical trial in November 2025. As of the Latest Practicable Date, the trial was still ongoing.

Phase II Clinical Trial of XTR004 for the Diagnosis of CAD through Myocardial Perfusion PET Imaging

Trial Design. This is a Phase II clinical trial evaluating image concordance between XTR004 injection for PET-MPI and ^{99m}Tc-MIBI SPECT-MPI in patients with borderline coronary stenosis. The trial was solely sponsored and independently conducted by us in China. A total of 17 patients enrolled in this clinical trial. Enrolled patients received either (1) a bolus intravenous injection of XTR004, with a resting dose of 2.0 to 2.5 mCi and a stress dose (under adenosine loading) of 6.0 to 7.5 mCi (approximately three times the resting dose), or (2) two intravenous injections of ^{99m}Tc-MIBI on the same day, with the first dose of 8 to 12 mCi and the second dose of 24 to 36 mCi, separated by an interval of 0.5 to 4 hours; or alternatively, two doses of 18 to 30 mCi ^{99m}Tc-MIBI on separate days.

The primary objective of the study was the percentage of vascular-level diagnostic determinacy for XTR004 PET/^{99m}Tc-MIBI SPECT-MPI (diagnostic determinacy is defined as the percentage of scans determined as either normal or abnormal, as detailed in the main text). The secondary objective was the percentage of diagnostic determinacy of XTR004 PET/^{99m}Tc-MIBI SPECT-MPI in patients with different degrees of vascular stenosis.

Trial Status. Based on our communication with the NMPA, we voluntarily initiated this separate Phase II clinical trial to generate supporting data for the design of the secondary endpoints in the protocol of the registrational Phase III clinical trial. This trial was initiated in December 2024, and the last patient's last visit was completed in March 2025. The trial was completed in November 2025.

Safety Profile. Among the 17 enrolled patients, a total of four adverse events were observed in this study, palpitations, headache, transient hypotension, and upper respiratory tract infection, all of which were unrelated to the investigational drug.

Efficacy Profile. Among the 17 enrolled subjects, the diagnostic certainty of the XTR004 PET MPI images was "normal/abnormal" for all cases, resulting in a certainty rate of 100%. In contrast, for the MIBI SPECT MPI images of the same 17 subjects, five cases (29.4%) were assessed as "normal/abnormal," while 12 cases (70.6%) were assessed as "possibly normal/uncertain/possibly abnormal."

Among the ten subjects with mild to moderate coronary artery stenosis at the individual-vessel level, the diagnostic certainty of the XTR004 PET MPI images was also "normal/abnormal" for all cases (100%). For the MIBI SPECT MPI images, three cases (30.0%) were assessed as "normal," whereas seven cases (70.0%) were assessed as "possibly normal/possibly abnormal."

Similarly, among the six subjects with severe individual-vessel coronary artery stenosis, the diagnostic certainty of the XTR004 PET MPI images remained "normal/abnormal" for all cases (100%). In comparison, for the MIBI SPECT MPI images, only one case (16.7%) was assessed as "abnormal," while five cases (83.3%) were assessed as "possibly normal/possibly abnormal."

Conclusion. XTR004 demonstrated a much higher diagnostic certainty compared with MIBI SPECT MPI (100% vs. 29.4%) for evaluating patients with suspected or known stable coronary artery disease, and exhibited a favorable safety profile. These encouraging results warranted further clinical investigation of XTR004 in the registrational Phase III clinical trial.

Phase II Clinical Trial of XTR004 for the Diagnosis of CAD through Myocardial Perfusion PET Imaging

Trial Design. This is an open-label Phase II clinical trial of XTR004 for the diagnosis of CAD through myocardial perfusion PET imaging. This trial was solely sponsored and independently conducted by us in China. A total of 84 subjects were enrolled. All subjects received a bolus intravenous injection of XTR004 on the dosing day, with a resting dose of 2.0 to 2.5mCi and a stress dose of 6.0 to 7.5mCi.

The primary objectives of this trial were: (1) to explore the diagnostic efficacy of XTR004 PET myocardial perfusion imaging and myocardial blood flow quantification for CAD with coronary angiography as the reference standard; and (2) to explore the diagnostic efficacy of XTR004 PET myocardial perfusion imaging and myocardial blood flow quantification for detecting coronary flow reserve dysfunction and coronary microcirculation dysfunction with pressure-temperature guidewire FFR/IMR as the reference standard. The secondary objective was to evaluate the safety of XTR004 after two bolus intravenous injections in subjects with suspected or known stable CAD.

Trial Status. We initiated the trial in January 2022, completed the last patient's last visit in May 2023 and completed the trial in January 2024.

Safety Profile. Among the enrolled 84 subjects, 23 subjects (27.4%) experienced 29 AEs and 29 TEAEs. No subjects experienced Grade 3 or more TEAEs, SAEs, TEAEs that led to discontinuation, TEAEs that led to drug withdrawal, or TEAEs that resulted in death. Among the common TEAEs (≥5%), seven subjects (8.3%) experienced chest discomfort.

Efficacy Profile. To evaluate diagnostic efficacy at the individual level, we used a composite reference standard combining QCA and FFR, integrating both structural assessment and functional evaluation. This approach more closely approximates the gold standard for CAD diagnosis. For qualitative analysis, three independent readers reviewed the original images. For semi-quantitative analysis, specialized software was used to analyze the imaging data.

The results showed that the sensitivity, specificity, accuracy, positive predictive value, and negative predictive value of qualitative analysis of original images (with Summed Stress Score ("**SSS**") ≥4 or Summed Difference Score ("**SDS**") ≥2) of XTR004 were 76%, 79%, 78%, 59%, and 89%, respectively, with a Kappa consistency of 0.51 ($P < 0.0001$). The semi-quantitative analysis of original images (with SSS ≥4 or SDS ≥2) showed sensitivity of 81%, specificity of 87%, accuracy of 85%, positive predictive value of 71%, and negative predictive value of 92%, with a Kappa consistency of 0.65 ($P < 0.0001$).

Diagnostic Performance Analysis of Combined QCA and FFR for Detecting Major Coronary Artery Abnormalities at the Individual Level

		Diagnostic Results			Diagnostic Efficacy Indicators				
Imaging Analysis	Reference Standard	Positive	Negative	Overall	Sensitivity	Specificity	Accuracy	PPV	NPV
Qualitative Analysis of Original Images	Positive	16	5	21	76.2	79.2	78.4	59.3	89.4
	Negative	11	42	53	(52.8, 91.8)	(65.9, 89.2)	(67.3, 87.1)	(38.8, 77.6)	(76.9, 96.5)
	Overall	27	47	74					
Semi-Quantitative Analysis of Original Images	Positive	17	4	21	81.0	86.8	85.1	70.8	92.0
	Negative	7	46	53	(58.1, 94.6)	(74.7, 94.5)	(75.0, 92.3)	(48.9, 87.4)	(80.8, 97.8)
	Overall	24	50	74					

Source: Company data

Conclusion. Under the dosing conditions of 2.0 to 2.5 mCi at rest and 6.0 to 7.5 mCi during stress, no XTR004-related adverse events occurred during the clinical trial, indicating a favorable safety profile. Also, XTR004 PET myocardial perfusion imaging using qualitative interpretation of the PET images demonstrated good diagnostic performance in assessing flow-limited stenoses in epicardial vessels (as defined by combined QCA and FFR criteria).

Phase I Clinical Trial of XTR004 in Healthy Adults

Trial Design. This study is an open-label Phase I clinical trial designed to evaluate the safety, biodistribution, radiation dosimetry, and pharmacokinetics of XTR004 in healthy adults. This trial was solely sponsored and independently conducted by us in China. A total of 11 subjects were enrolled and received XTR004 followed by PET-CT imaging. All subjects received a single bolus intravenous injection of 6.0 to 8.0 mCi XTR004.

The primary objective of the study was to evaluate the safety of a single bolus intravenous dose of XTR004 injection in healthy adults. The secondary objectives were to assess the biodistribution of XTR004 (via PET imaging), estimate the radiation dosimetry, and characterize the pharmacokinetic profile of XTR004 in the human body following a single bolus intravenous injection.

Trial Status. We initiated this trial in March 2021, completed the last patient's last visit in July 2021, and completed the trial in September 2022.

Results.

- **Safety Profile:** In this study, seven subjects (63.6%) experienced AEs related to XTR004, all of which were pain at the injection site. Investigators determined these events to be related to XTR004, primarily due to the presence of a small amount of ethanol (10% of the injection volume, 0.1 to 0.5 mL). No other drug-related AEs were observed. Also, no subjects permanently discontinued the drug or withdrew from the trial due to TEAEs. During the study, no severe, serious, treatment-disrupting, or fatal TEAEs occurred.
- **Radiation Dosimetry Results:** Radiation dosimetry data showed that intravenous injection of XTR004 resulted in a low radiation dose in the human body. The effective dose per unit of administered activity was 0.0165 mSv/MBq. With an injected activity of approximately 7.3 mCi, the average effective dose for subjects was 4.474 mSv, indicating low radiation exposure to the surrounding environment and well below the annual safety limit for radiation exposure (50 mSv/year). The organ receiving the highest radiation dose was the thyroid (54.87 μSv/MBq), and the whole-body effective dose was 0.0165 mSv/MBq.
- **Summary of Biodistribution and Pharmacokinetics:** Integrated biodistribution and pharmacokinetic data indicated that XTR004 exhibited rapid and widespread distribution in the human body following intravenous injection. It is primarily cleared through hepatic metabolism and can be excreted via both the urinary system and the gastrointestinal tract.

Conclusion. According to the results of this Phase I clinical trial, XTR004 demonstrated good safety profile in humans.

Clinical Development Plan

We initiated the Phase III clinical trial in November 2025, and plan to complete patient enrollment of the Phase III clinical trial in the fourth quarter of 2027. Furthermore, we intend to advance preclinical investigations of XTR004 to further explore its potential and evaluate opportunities for indication expansion. In addition, considering the significant market size and favorable competitive landscape, we plan to initiate a clinical investigation of XTR004 for detecting flow-limiting stenosis in patients with suspected or known stable CAD in the U.S.

In May 2026, we submitted a pre-IND meeting package to the FDA, which included a proposed clinical development plan involving a Phase III clinical trial that incorporates a Phase I clinical trial in the U.S. The proposed clinical development plan, together with data from the existing Phase I and Phase II clinical trials and the current Phase III clinical trial in China, is intended to support a potential NDA for XTR004 for use in adults with suspected CAD in the U.S. FDA commented in the communication in June 2026 that our proposed clinical development plan appeared reasonable and did not raise any objection to the absence of a Phase II clinical trial in the U.S. However, the FDA noted that, as we intend to rely on clinical data generated outside the U.S., we are required to provide, in accordance with FDA's regulatory requirements, scientific justification demonstrating the applicability of such foreign clinical data to the U.S. population. The adequacy of such clinical data will ultimately be determined by the FDA during its review of the NDA. Based on the FDA's feedback, we plan to conduct Phase I and Phase III clinical trials in the U.S. We have been preparing the IND submission package since the second quarter of 2026 and expect to submit the IND application in December 2026 to the FDA for conducting one Phase I bridging trial in the U.S. to investigate ethnic differences in the U.S., and two additional Phase I clinical trials to investigate matters, including pharmacology, PK/radiation dosimetry under stress conditions and biodistribution, tailored to address the FDA's comments and support the potential approval of XTR004 in the U.S.

We believe that we have sufficient resources and capabilities to execute and manage the clinical development of XTR004 in the U.S., taking into account the following:

(i) *Our team composition and personnel qualifications.* We currently rely on a cross-functional team of 37 employees based at our headquarters in China to support the overseas development of XTR004. In addition, we have engaged one part-time senior clinical operations project manager in the U.S. to provide local clinical operations support. Such individual has over 10 years of experience in global clinical trial management and previously worked at several well-known CROs and biotechnology companies. We expect such individual to become our full-time employee in the first quarter of 2027 and serve as the head of our U.S. clinical operations, responsible for coordinating with our headquarters team, liaising with clinical sites in the U.S., managing clinical trial documentation and overseeing U.S. CROs. If the results of the Phase I clinical trial in the U.S. are favorable and XTR004 successfully progresses into Phase III clinical development, we plan to recruit nine additional

employees to support the U.S. development of XTR004, including three overseas employees covering overseas regulatory affairs, overseas medical affairs and overseas clinical quality assurance, and six employees in China covering functions including cardiovascular medicine, clinical pharmacology, cardiac radiation dosimetry, statistics and data management. On-site execution of the U.S. clinical trials, including patient recruitment, site monitoring and sample testing, will be outsourced to local CROs in the U.S.

(ii) *Clinical preparation and external collaborations.* As of the Latest Practicable Date, we were in the process of selecting a clinical CRO for the U.S. clinical trials of XTR004 and expect to finalize the selection by November 2026. We have also engaged two experienced CDMOs with established quality systems and experience in regulatory inspections by the FDA and other authorities in China to support the process development, validation, quality studies and related manufacturing of the precursor and ancillary kit for XTR004, respectively. In addition, we have engaged a U.S. CDMO as our local radiopharmaceutical manufacturing service provider in the U.S., which will be responsible for technology transfer, preparation and supply of ^{18}F radionuclides, and other manufacturing and clinical supply activities for the U.S. clinical batches of XTR004. This U.S. CDMO is one of the leading radiopharmaceutical CDMOs in the U.S. and has extensive experience in the clinical and commercial manufacturing of ^{18}F-labeled PET diagnostic radiopharmaceuticals. Given that XTR004 is a radiopharmaceutical labeled with ^{18}F that has a short half-life, we do not plan to complete radioactive labeling in China and transport the finished drug product to the U.S. Instead, we plan to rely on the U.S. CDMO's local manufacturing and delivery network to conduct clinical batch manufacturing, testing, release and delivery based on patient appointments and dosing schedules at the U.S. clinical sites. As of the Latest Practicable Date, we had completed our preliminary assessment of the relevant manufacturing capabilities, quality systems and release arrangements of the U.S. CDMO, and the technology transfer of the relevant manufacturing processes and testing methods was in progress. We plan to submit the IND application in December 2026 and initiate the Phase I clinical trial in the U.S. in early 2027.

(iii) *Cross-border regulatory arrangements.* Under our current clinical development plan, samples collected from subjects participating in the clinical studies of XTR004 conducted in China will be tested and analyzed in China, and no biological samples are expected to be transferred outside China. Samples collected from subjects participating in the U.S. clinical studies will be processed by local laboratories in the U.S. and will not be transported back to China. Data generated from the clinical studies of XTR004 conducted in China will be used to support our U.S. IND and subsequent NDA submissions, and the data to be submitted to the FDA will primarily consist of aggregated analytical data without identifying individual subjects. We plan to engage data compliance legal advisers and external legal counsel to provide guidance on future cross-border data transfers.

Furthermore, we plan to initiate a Phase II clinical trial of XTR004 for the detection of coronary microcirculatory dysfunction in China and submit the IND application to the NMPA in December 2026. An additional Phase I clinical trial is not required because XTR004 to be used for this expanded indication involves the same active molecule, formulation and manufacturing process, dosage form, route of administration and radiolabeling specifications as the investigational drug used in the completed Phase I clinical trial of XTR004 for the diagnosis of myocardial ischemia associated with CAD, with no changes to its physicochemical properties or *in vivo* metabolic characteristics. The Phase I clinical trial for the original indication has comprehensively evaluated human tolerability, *in vivo* biodistribution, pharmacokinetics, whole-body radiation dosimetry and safety, and established the recommended clinical dose, thereby fully addressing all objectives of a Phase I clinical trial without the need to repeat initial human safety evaluations. In addition, the mechanism of action and dosing regimen remain unchanged, and such approach is consistent with applicable domestic and international regulatory requirements and customary industry R&D practices, as confirmed by CIC.

Licenses, Rights and Obligations

We initially in-licensed the exclusive global rights controlled by Dr. Fang Wei and Beijing Normal University ("**XTR004 Assignors**") to research, develop, manufacture, and commercialize XTR004 in 2017, while the product was in preclinical stage. Starting in February 2021, we entered into a series of agreements (the "**XTR004 Assignment Agreements**") with XTR004 Assignors to acquire the exclusive global patent rights controlled by the XTR004 Assignors to research, develop, manufacture, and commercialize XTR004. Prior to in-licensing the intellectual property rights of XTR004 controlled by the XTR004 Assignors, they

contributed to the discovery of XTR004 and conducted certain preclinical studies necessary for filing patent applications. After the in-licensing, we have independently carried out all research and development activities for XTR004 in China. Since August 17, 2017, Dr. Fang Wei and Beijing Normal University had ceased to be involved in any research, development or manufacturing activities in relation to XTR004 due to the fact that the relevant patent rights were exclusively out-licensed and subsequently transferred to us. Nevertheless, under our direction and in accordance with XTR004's R&D plan and study design determined by us, we engaged Beijing Normal University and Fuwai Hospital, Chinese Academy of Medical Sciences, to conduct certain preclinical studies, which were completed in December 2019. The resulting intellectual property rights, including data generated from the preclinical studies, are solely owned by us. Fuwai Hospital also served as a clinical trial site for the Phase II clinical trial of XTR004, with Dr. Fang Wei serving as the principal investigator. In particular, we optimized the precursor synthesis, radiolabeling process, and formulation development of XTR004, as well as conducted preclinical studies (including process procedure optimization and pharmacology and toxicology studies) and clinical development plan optimization, completed the IND application to the NMPA, and secured the IND approval as a Class 1 innovative drug. In addition, we independently sponsored and completed a Phase I clinical trial and two Phase II clinical trials of XTR004 for the diagnosis of CAD through myocardial perfusion imaging in China. For details regarding the XTR004 Agreement, see "– Collaboration Arrangements." Through XTR004 Assignment Agreements, we have obtained valid and complete title to the transferred patents rights related to XTR004.

Material Communications with Competent Authorities

The communications with the relevant regulatory authorities in China regarding all ongoing and completed clinical trials for the Core Product XTR004 are as follows:

- In September 2020, we received IND approval from the NMPA to conduct Phase I and Phase II clinical trials of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia.
- Based on data from the completed Phase I clinical trial, we proceeded with two separate Phase II clinical trials of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia, and initiated patient enrollment in January 2022 and December 2024, respectively. The initiations of the Phase II clinical trials were considered a "no objection" response from the NMPA for the commencement of the Phase II clinical trial, in accordance with the Announcement on Adjusting the Review and Approval Procedures for Drug Clinical Trials published by the NMPA.
- In November 2024, based on the data collected from the Phase I clinical trial and a Phase II clinical trial, we communicated with the CDE for proceeding with a Phase III clinical trial of XTR004 for PET imaging for myocardial perfusion and quantitative blood flow assessment, which is used to detect myocardial ischemia. In February 2025, we obtained the regulatory clearance from the CDE to conduct this trial, which constituted a "no objection" response from the NMPA.

As of the Latest Practicable Date, we have not received any concerns or objections from the NMPA related to our clinical development plans, including the conduct of Phase III clinical trials.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR004 SUCCESSFULLY.

Key Product – XTR003 – World's First and Only PET Tracer for Myocardial Fatty Acid Metabolism Imaging

Our Key Product XTR003 (Florcicaper (^{18}F) injection) is currently the world's first and only ^{18}F-labeled PET diagnostic radioligand for myocardial fatty acid imaging to detect myocardial viability. XTR003 utilizes the fatty acid metabolism characteristics of the myocardium to assess myocardial viability. It is primarily used for PET imaging in ischemic heart diseases with impaired left ventricular dysfunction. When used in a fasting state in combination with ^{18}F-FDG, it can simultaneously assess overall myocardial metabolism from two aspects (i.e. glucose metabolism and myocardial fatty acid metabolism), thereby more effectively identifying and detecting viable myocardium. It also avoids unnecessary complex glucose regulation processes and the image interference and safety concerns associated with glucose regulation. As a result, its clinical application can enhance the effectiveness and safety of core cardiology myocardial imaging for detecting viable myocardium. As of the Latest Practicable Date, we completed a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging for the diagnosis of CAD with left ventricular dysfunction and finalized the trial protocol design of a Phase IIb clinical trial. We received ethics committee approval to conduct the Phase IIb clinical trial in November 2025, and initiated patient enrollment of the trial in December 2025.

XTR003 is strategically important to our cardiovascular diagnostic portfolio, one of our three key therapeutic and diagnostic focus areas. Together with XTR004, it is intended to provide complementary diagnostic coverage across different stages of cardiovascular disease. XTR003 also has significant clinical and innovative value as the world's first and only PET myocardial fatty acid metabolism imaging agent currently in clinical development, with potential first-in-class advantages. By directly assessing myocardial fatty acid metabolism without requiring blood glucose regulation, and potentially enabling complementary assessment of glucose and fatty acid metabolism when used with ^{18}F-FDG, XTR003 provides a differentiated approach to myocardial viability assessment, with completed clinical trials demonstrating favorable safety and diagnostic performance. As a self-discovered and developed innovative diagnostic product for which we own global development and commercialization rights, XTR003 also represents an important achievement in our independent innovation. As of the Latest Practicable Date, XTR003 had advanced to Phase IIb clinical development and was among the more advanced candidates in our internally developed pipeline. During the Track Record Period, we incurred significant R&D expenses for XTR003, even though we slowed down its development to further refine the Phase III development plan with the CDE and subsequently designed an additional Phase IIb clinical trial. Accordingly, taking into account its strategic importance, innovative value, clinical advantages and potential commercialization value, we consider XTR003 a Key Product.

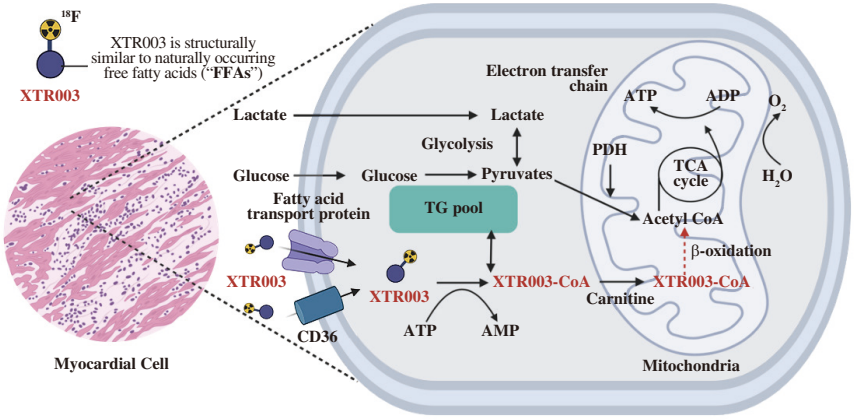
Mechanism of Action

The targeting ligand of XTR003 is structurally similar to naturally occurring FFAs and has been modified to incorporate a radioactive isotope, ^{18}F, for PET imaging.

After XTR003 is injected into the bloodstream, it circulates and is absorbed by the heart muscle, where it undergoes metabolism. Specifically, XTR003 behaves similarly to natural FFAs, entering myocardial cells via fatty acid transport proteins and CD36 receptors, both of which are responsible for facilitating FFA uptake into myocytes. Once entering myocytes, XTR003 is metabolized through the β-oxidation pathway in the mitochondria and trapped prior to the conversion to ATP.

The radioactive signal of XTR003 emitted by the ^{18}F isotope is detected by PET, enabling the visualization and quantification of myocardial fatty acid uptake and metabolism. In healthy myocardial tissue, the metabolism of FFAs is high and efficient, reflecting normal myocardial function and energy production. However, in cases of myocardial ischemia or injury (such as during or after a heart attack), the uptake of radiolabeled FFAs is typically reduced due to decreased oxygen supply or mitochondrial dysfunction. The uptake of radiolabeled glucose (typically ^{18}F-FDG) may be slightly increased, or both FFAs and glucose uptake may be decreased, depending on the complex stages of the disease.

This assessment of fatty acid and glucose metabolism in the myocardium allows for a detailed evaluation of myocardial function, providing critical information for the diagnosis and management of various cardiovascular diseases.



Source: Company data

Market Opportunities and Competition

Clinically, it is critical to distinguish viable myocardium from scarred or non-viable tissue in patients with infarcted myocardium following a myocardial infarction. This distinction plays a key role in determining whether the patient may benefit from early revascularization – such as coronary artery bypass grafting or percutaneous coronary intervention – to improve clinical outcomes.

Conventional PET myocardial metabolic imaging uses the strategy of glucose loading and ^{18}F-FDG injection to assess total metabolic activity, capturing both intrinsic glucose metabolism and the metabolic shift from fatty acid to glucose utilization in infarcted myocardium. However, this method has several limitations, including (1) the need for glucose regulation, which prolongs the procedure and reduces clinical efficiency, (2) interference from factors that affect image quality in diabetic patients, and (3) an increased risk of hypoglycemia during the glucose-loading process. These limitations highlight the significant clinical needs in PET-based myocardial metabolic imaging.

According to CIC, the number of CAD patients worldwide requiring coronary artery bypass grafting or percutaneous coronary intervention was 7.6 million in 2020 and increased to 16.2 million in 2025, representing a CAGR of 16.4%. This number is expected to reach 38.0 million in 2036, with a CAGR of 8.0%. In China, the number of CAD patients requiring these procedures was 1.0 million in 2020 and rose to 1.8 million in 2025, reflecting a CAGR of 12.6%. This figure is projected to reach 2.7 million by 2036, with a CAGR of 3.7% from 2025 to 2036.

As of the Latest Practicable Date, XTR003 stands out as the first and only PET myocardial fatty acid metabolism imaging agent in China and globally.

Competitive Advantages

Optimizations of XTR003 to Comprehensively Improve Its Process, Formulation, and Clinical Development

Radiopharmaceuticals differ from conventional drugs in that they typically cannot be obtained directly as an active pharmaceutical ingredient. Instead, a precursor must first be prepared, and then the precursor is radiolabeled. Additionally, after obtaining the active substance through radiolabeling, it must be quickly formulated into the final product. Therefore, the production process significantly impacts the formulation and the overall feasibility of the drug's development.

Precursor Synthesis Process Optimization

We initially optimized the process procedure and production techniques for the precursor synthesis, reducing the process steps and improving the yield. We also conducted detailed quality studies and control over the reaction process, intermediates, and final precursor. Currently, the precursor can be stably produced under GMP conditions with controlled quality. The optimized precursor preparation process has been granted a patent in China.

Labeling Process and Formulation Optimization

Through in-depth research on the labeling process and formulation, we ultimately developed a formulation and a labeling process that prevent high radioactive accumulation, which could lead to radiation-induced self-degradation. At the same time, the formulation of XTR003 takes into account the solubility of the small-polar precursor as well as its ability to resist radiation degradation at high doses. The final formulation brings the product closer to physiological pH, making the formulation clearer, safer, and improving clinical compliance.

Clinical Design Optimization

Given the clinical needs in China and the inherent limitations of traditional glucose-loaded ^{18}F-FDG PET myocardial metabolic imaging, we developed XTR003/^{18}F-FDG PET combined myocardial metabolic imaging. XTR003 is designed to directly detect myocardial fatty acid metabolism without the need for blood glucose regulation, providing a more straightforward evaluation of fatty-acid metabolism in the myocardium. Fasting XTR003/^{18}F-FDG PET combined myocardial metabolic imaging enables assessment of total myocardial metabolic activity while avoiding the complications associated with glucose-loaded ^{18}F-FDG PET. The entire imaging procedure using fasting XTR003/^{18}F-FDG PET can be completed in approximately 80 minutes, compared to an average of approximately 200 minutes for glucose-loaded ^{18}F-FDG PET. The fasting XTR003/^{18}F-FDG PET offers a promising solution to address clinical challenges associated with the glucose-loaded ^{18}F-FDG PET myocardial metabolic imaging, providing cardiologists with a more efficient, accurate and reliable method to assess myocardial viability.

Excellent Safety and Diagnostic Efficacy

XTR003 is categorized as a Class 1 innovative drug. It has completed a Phase I clinical trial and a Phase II clinical trial, demonstrating its potential as an excellent PET tracer for fatty acid metabolic imaging. The Phase I clinical trial evaluated the biodistribution, radiation dosimetry, and safety profile of XTR003. The Phase II clinical trial preliminarily validated that fasting XTR003/^{18}F-FDG PET combined myocardial metabolic imaging provided an assessment of myocardial viability that closely aligns with that of glucose-loaded ^{18}F-FDG PET in patients who achieved successful glucose regulation and high-quality imaging. The clinical value of fasting XTR003/^{18}F-FDG PET combined imaging will be further investigated in the ongoing Phase IIb clinical trial.

Improved Clinical Benefits Compared to Traditional Viable Myocardium Assessment Methods

XTR003 can directly detect myocardial fatty acid metabolism without the need for blood glucose regulation, and the entire detection process can be completed in approximately 80 minutes. It can effectively address the following clinical issues:

(1) It resolves the high technical skill requirement for blood glucose regulation, facilitating the clinical promotion and widespread use of viable myocardium diagnosis;

(2) It solves the problem of excessive operation time due to glucose regulation, improving clinical efficiency; and

(3) It addresses the issue of inaccurate imaging in diabetic patients and the potential for hypoglycemia during the glucose regulation process.

Summary of Clinical Trial Results

Phase IIb Clinical Trial of XTR003/^{18}F-FDG Combined Imaging for the Detection of CAD with Left Ventricular Dysfunction

Trial Design. This is an open-label, parallel-controlled Phase IIb clinical trial evaluating XTR003 injection in combination with ^{18}F-FDG for the assessment of viable myocardium in patients with ischemic cardiomyopathy. The study is solely sponsored and independently conducted by the Company in China. Each enrolled subject will receive a single bolus intravenous injection of 6.0–8.0 mCi of XTR003 and/or an intravenous injection of 5.0–10.0 mCi of ^{18}F-FDG. The diagnostic efficacy of ^{18}F-FDG PET alone will be compared with that of combined XTR003/^{18}F-FDG imaging.

The primary endpoint of this trial is the assessment of diagnostic performance in detecting viable myocardium, using the recoverability of regional left ventricular wall motion at 6 months post-surgery as the reference standard. This includes evaluating the sensitivity, specificity, positive predictive value, and negative predictive value of ^{18}F-FDG PET alone versus combined XTR003/^{18}F-FDG imaging. Secondary endpoints include additional efficacy measures as well as the incidence and nature of adverse events.

Trial Status. This trial was initiated in December 2025. As of the Latest Practicable Date, 18 patients were enrolled in this clinical trial, and we proactively initiate an interim analysis. We expect to complete patient enrollment of this trial in the second quarter of 2027.

Phase II Clinical Trial of XTR003/^{18}F-FDG Combined Imaging for the Detection of CAD with Left Ventricular Dysfunction

Trial Design. This is an open-label, self-controlled Phase II clinical trial to evaluate the effectiveness of XTR003 in detecting viable myocardium in patients with non-ST-segment elevation myocardial infarction ("**NSTEMI**"), old myocardial infarction with impaired left ventricular function, and completely occluded coronary artery. This trial was independently sponsored and conducted by us in China. A total of 51 patients were enrolled in this study. Each enrolled subject, after fasting for ≥6 hours, received imaging at rest with an intravenous injection of 2.0 to 3.0 mCi of ^{18}F-FDG and a bolus intravenous injection of 6.0 to 8.0 mCi of XTR003.

The primary endpoint of the study was to assess the sensitivity and specificity of fasting ^{18}F-FDG imaging in combination with XTR003 PET imaging for detecting viable myocardium, using glucose-loaded ^{18}F-FDG myocardial metabolic PET imaging (meeting diagnostic criteria) as the reference standard. The secondary endpoint was to observe XTR003-related adverse events and their incidence.

Trial Status. We initiated the trial in December 2021, completed the last patient's last visit in March 2023, and completed the trial in April 2023.

Results. During the clinical trial, no AEs related to XTR003 occurred. Radiation dose data showed that the cumulative radiation exposure for injection staff, ECG and vital sign monitoring staff, and PET image acquisition staff was all within 3.5 μSv, which is far below the annual radiation safety limit (50 mSv/year), indicating that XTR003 has a good safety profile and is safe to the practitioners.

The fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging demonstrated high sensitivity and specificity (0.94 and 0.88, respectively); single fasting ^{18}F-FDG PET myocardial metabolic imaging had high sensitivity but low specificity (1 and 0.59, respectively), while single fasting XTR003 PET myocardial metabolic imaging had low sensitivity but high specificity (0.76 and 1, respectively). The diagnostic agreement (Kappa=0.82, P<0.0001) between fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging and blood glucose-regulated ^{18}F-FDG PET myocardial metabolic imaging (reference standard) was higher than that of fasting ^{18}F-FDG PET single myocardial metabolic imaging

(Kappa=0.65, P<0.0001) and fasting XTR003 PET single myocardial metabolic imaging (Kappa=0.68, P<0.0001). Therefore, based on myocardial metabolism mechanisms and in comparison with blood glucose-regulated ^{18}F-FDG PET myocardial metabolic imaging, fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging should be used for a comprehensive assessment of myocardial metabolic levels in the fasting state. Using either metabolic assessment mode alone (glucose or fatty acid) in the fasting state will result in decreased specificity or sensitivity in the diagnosis of viable myocardium.

In terms of PET imaging workflow convenience, fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging is more convenient and significantly shortens the examination time (about one-third of the total examination time of blood glucose-regulated ^{18}F-FDG PET myocardial metabolic imaging), and can avoid hypoglycemic events that may occur with the blood glucose-regulation method, thus offering higher safety.

Conclusions. The results of this Phase II trial demonstrated that XTR003 was safe for the subjects, injection personnel, and PET image acquisition staff. Due to the high sensitivity and specificity of fasting ^{18}F-FDG/XTR003 PET combined myocardial metabolic imaging, its diagnostic performance demonstrated high consistency with that of glucose-loaded ^{18}F-FDG PET imaging. Additionally, the imaging procedure is more convenient, reduces examination time, and avoids the potential hypoglycemic events associated with glucose-loading protocols.

Phase I Clinical Trial of XTR003 in Healthy Adults

Trial Design. This is an open-label, Phase I clinical trial to evaluate the safety, biodistribution, radiation dose, and pharmacokinetics of XTR003 in healthy adults. This trial was solely sponsored and independently conducted by us in China. A total of ten subjects were enrolled. All subjects received a single bolus intravenous injection of 8.0 to 10.0 mCi of XTR003 during the trial period.

The primary objective of this study was to assess the safety of XTR003 injection in healthy adults following a single bolus intravenous administration. The secondary objectives were to explore the biodistribution (via PET imaging), radiation dose, and pharmacokinetic characteristics of XTR003 in the human body after a single bolus intravenous injection.

Trial Status. We initiated the trial in March 2021, completed the last patient's last visit in August 2021, and completed the trial in August 2022.

Results. During the study, no SAEs or serious adverse reactions occurred after the XTR003 injection, and no deaths were reported. Only two AEs were determined by the investigator to possibly be related to the drug. Both events were classified as Grade 1 severity and did not require treatment intervention. These events resolved during the subsequent unplanned follow-up visits.

Comprehensive biodistribution and pharmacokinetic data showed that after intravenous administration of XTR003, it quickly distributed to organ tissues and, after approximately 0.5 hours, may return to the venous blood in both its original form and as metabolites. The liver is the primary organ for the metabolism of XTR003 in the human body, with low excretion through the digestive system, and it is excreted through the urinary system. The clinically used ^{18}F-FDG was primarily excreted via the kidneys.

Radiation dose data indicated that the whole-body effective dose per unit of injected activity for XTR003 was comparable to that of ^{18}F-FDG, but the maximum uptake organ for XTR003 is the liver, whereas the maximum cumulative organ for ^{18}F-FDG is the bladder.

Furthermore, during this clinical trial, the cumulative radiation dose exposures for the imaging operators, administration personnel, and blood collection personnel were 0.87 ± 0.21 μSv, 0.97 ± 1.05 μSv, and 8.31 ± 4.94 μSv, respectively. These exposures were well below the safety limits established by national regulations for occupational personnel, which specify an annual effective dose limit of 20 mSv, with an average over five consecutive years not exceeding 50 mSv in any given year.

Conclusion. The results from the Phase I clinical trial showed that XTR003 demonstrated good safety both in the human body and in the surrounding environment.

Clinical Development Plan

We have completed a Phase II clinical trial of XTR003/^{18}F-FDG combined imaging for the diagnosis of CAD with left ventricular dysfunction. Given its unique mechanism, there is no comparable precedent or established protocol globally, and the development must therefore rely entirely on our internal expertise. During communications with the CDE regarding the Phase III protocol, the CDE requested us to adjust the originally submitted Phase III trial design. As such, the Company believes that additional clinical investigation is needed to generate preliminary data that would validate the updated Phase III protocol. Accordingly, we voluntarily elected to initiate a Phase IIb clinical trial with the goal of exploring the trial

design to enhance the likelihood of success in the subsequent Phase III clinical trial. Since May 2024, we have actively advanced the development of XTR003 through extensive clinical, manufacturing, and organizational preparations. We conducted multiple rounds of discussions with cardiology, cardiac surgery, and nuclear medicine experts from hospitals across China to assess the clinical value of XTR003 and obtain advice on indication and endpoint selection, culminating in a national-level expert meeting in August 2025. Based on expert feedback and NMPA comments, we finalized the clinical development strategy and the Phase IIb protocol for XTR003. In parallel, we completed key manufacturing preparations for the initiation of the Phase IIb clinical trial, including procurement of critical materials and customization of impurities required for precursor release. To support further development, we also strengthened our cardiovascular expertise recruiting experienced professionals in the cardiovascular field for advancing the development of XTR003. As such, we finalized the trial protocol design of a Phase IIb clinical trial, received ethics committee approval to conduct the Phase IIb clinical trial in November 2025 and initiated patient enrollment of the Phase IIb clinical trial in December 2025. As of the Latest Practicable Date, the Phase IIb development of XTR003 was ongoing. We expect to complete patient enrollment of the Phase IIb clinical trial in the second quarter of 2027. Upon completion of the Phase IIb stage and receipt of regulatory clearance from the NMPA, we expect to initiate the Phase III clinical trial in the first half of 2028.

Licenses, Rights and Obligations

As XTR003 is self-discovered and developed by us, we maintain the exclusive global rights to develop, manufacture and commercialize XTR003.

Material Communications with Competent Authorities

As of the Latest Practicable Date, we have not received any concerns or objections from the NMPA related to our clinical development plans, including the conduct of Phase II or later-stage clinical trials.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR003 SUCCESSFULLY.

Key Product – XTR006 – ^{18}F-labeled Tau-targeted PET Tracer

Our Key Product XTR006 (Florquinitau (^{18}F) injection) is a ^{18}F-labeled tau-targeted PET diagnostic radioligand for suspected MCI due to AD or AD dementia. Radioactive fluorine isotope ^{18}F of XTR006 enables PET imaging to visualize and quantify the distribution and burden of neurofibrillary tangles in the brain according to specifically bind with tau protein. Since tau pathology occurs downstream of Aβ accumulation in the pathogenesis of AD, and Aβ is believed to promote the transformation of tau into its toxic form, XTR006 is designed to diagnose patients with MCI or AD who are Aβ-positive but exhibit minimal symptoms such as cognitive decline. Moreover, according to the critical role of tau PET in staging and prognosis assessment, XTR006 has the potential to serve as a powerful precision diagnostic tool for distribution and quantitative assessment, providing accurate insights to guide AD treatment decisions. As of the Latest Practicable Date, we were conducting a Phase III clinical trial of XTR006 for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia. We expect to complete the trial in the fourth quarter of 2027.

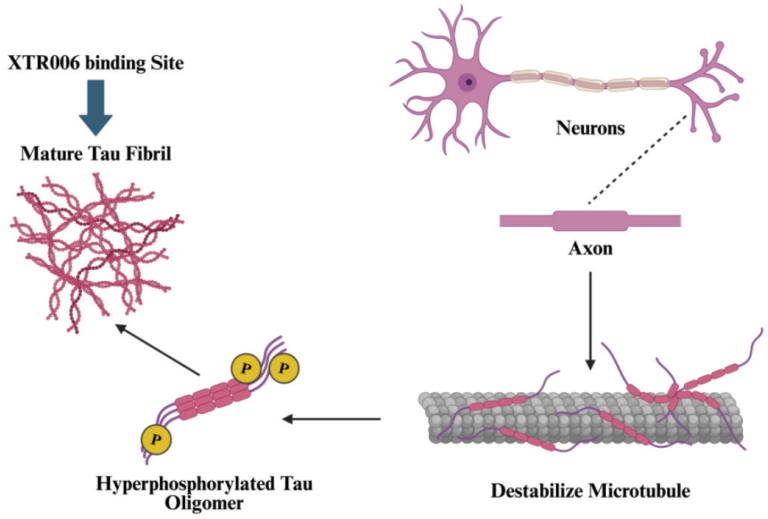
XTR006 is strategically important to our future product portfolio and commercialization. It targets tau, one of the two key pathological biomarkers of AD, and, together with our marketed Aβ PET tracer XTR005, forms the cornerstone of our AD diagnostic portfolio. XTR006 also demonstrated strong product differentiation, with head-to-head clinical data published in The Lancet indicating competitive advantages in diagnostic accuracy, early detection, pathological specificity and disease staging. Its development is relatively advanced: the FDA approved MK-6240, the corresponding product developed overseas by Lantheus, on August 13, 2026, while XTR006 has entered Phase III clinical development in China. As no Tau PET tracer has been approved in China, XTR006 has the potential to address a significant clinical need, supported by the large and growing populations of patients with MCI, AD and other dementias and the increasing clinical adoption of biomarker-based diagnosis. During the Track Record Period, we incurred substantial R&D expenses for XTR006, even though XTR006 is expected to be classified as a Category 3 drug rather than a Category 1 drug in China, potentially reducing clinical development requirements. Accordingly, taking into account its strategic importance, clinical advantages, advanced development stage and significant market potential, we consider XTR006 a Key Product.

Mechanism of Action

AD is a neurodegenerative disorder and the leading cause of dementia. Tau protein is a key biomarker of AD, and its detection aids in disease staging and prognosis prediction. Additionally, tau PET serves as a crucial companion diagnostic tool in the development and clinical application of AD therapies, supporting patient selection and treatment efficacy assessment.

Tau PET is the only non-invasive imaging technology capable of directly visualizing the extent and spatial distribution of NFTs in the brain, allowing precise localization and quantitative assessment of tau pathology. Its imaging characteristics strongly correlate with Braak staging (a neuropathological description of the predictable topographic progression of the neuropathology), accurately reflecting AD severity and disease progression, thus providing an *in vivo* diagnostic reference aligned with pathological gold standards. As a crucial component of the amyloid, tau, neurodegeneration ("**A/T/N**") diagnostic framework, tau PET offers objective and reliable tau pathology evidence, enhancing diagnostic accuracy. Additionally, studies indicate that MCI patients who test positive for both amyloid and tau face a significantly higher risk (up to 26.7 times) of progressing to dementia compared to amyloid-positive but tau-negative individuals, demonstrating its predictive advantage. Furthermore, tau PET findings closely correlate with cognitive decline, with tau deposition patterns aligning both temporally and functionally with clinical symptoms – an association not observed with amyloid PET.

XTR006 is a generic PET radiotracer labeled with the radioactive fluorine isotope ^{18}F, exhibiting high affinity for NFTs, which are formed by hyperphosphorylated tau protein. The brand-name product MK-6240, i.e., TAUKLARIFY™, developed by Lantheus/Cerveau, was approved by the FDA in August 2026. Upon binding to NFTs, XTR006 enables PET imaging to visualize the distribution and extent of tau protein deposition in the brain.



Source: Company data

Market Opportunities and Competition

AD is a prevalent neurodegenerative disorder characterized by progressive cognitive decline, memory impairment, and behavioral changes. Its hallmark pathological features include the accumulation of Aβ plaques, tau protein tangles, and neuronal loss. Although the precise cause of AD remains unclear, a combination of genetic, environmental, and lifestyle factors is believed to contribute to its development. Current treatment strategies primarily aim to manage symptoms and target Aβ and tau pathologies. The clinical progression of AD typically occurs in three stages: (1) preclinical AD, marked by Aβ accumulation and neuronal changes without noticeable symptoms; (2) MCI due to AD, involving measurable cognitive decline while daily functioning remains largely preserved; and (3) dementia due to AD, characterized by significant cognitive and functional impairment, including memory loss, language difficulties, and disorientation, resulting in dependence on caregivers. MCI represents a critical stage for early intervention, with the potential to delay or prevent the onset of dementia. XTR006 and XTR005 target the diagnosis of AD at different stages. XTR006 targets to enable precise staging and prognostic assessment of AD, while XTR005, another pipeline product targeting Aβ for the early diagnosis of AD, is intended for AD diagnosis and patient selection for AD therapies. Together, they create a synergistic offering in the AD diagnostic field.

Epidemiological data indicate that the number of individuals with MCI in China was approximately 39.6 million in 2020 and is expected to increase from 52.6 million in 2025 to 82.2 million in 2036, representing a CAGR of 5.9% from 2020 to 2025 and 4.1% from 2025 to 2036. Similarly, the prevalence of ADOD was 15.5 million in 2020 and is projected to rise from 18.9 million in 2025 to 27.2 million in 2036, reflecting a CAGR of 4.1% from 2020 to 2025 and 3.3% from 2025 to 2036. Among the patient population with ADOD, approximately 60% to 80% suffer from AD. These numbers are expected to grow substantially with the aging population.

Current diagnosis of AD involves a comprehensive and multidisciplinary assessment approach. This includes medical history collection, such as onset details, impact on functioning, neuropsychiatric symptoms, potential triggers, and associated symptoms, as well as physical and neurological examinations covering vital signs, systemic evaluations, cortical functions, and reflexes. Neuropsychological assessments are central, evaluating global cognition, memory, attention, executive function, language, visuospatial abilities, and daily living and social functioning using tools like AD cooperative study scale for activities of daily living in MCI ("**ADCS-MCI-ADL**") and functional activities questionnaire ("**FAQ**"). Neuropsychiatric symptoms are assessed using scales such as the Hamilton Anxiety and Depression Scales and the neuropsychiatric inventory ("**NPI**"). Laboratory evaluations involve blood tests for general parameters and AD-related biomarkers, cerebrospinal fluid testing for pathological markers, and genetic testing. Imaging assessments include PET scans for Aβ and tau pathology, FDG-PET for brain metabolism, MRI for structural changes, and susceptibility weighted imaging ("**SWI**") or T2-weighted gradient echo ("**T2*GRE**") to detect vascular co-pathologies.

The treatment principles for AD include early diagnosis, timely intervention, and lifelong management. Therefore, early diagnosis of AD during the MCI stage is critical for effective disease management. Among the major diagnostic approaches – such as cognitive scales and questionnaires, imaging examinations, body fluid analyses, and genetic testing – only PET imaging and lumbar puncture offer both high sensitivity and high diagnostic accuracy for early-stage detection. However, lumbar puncture is invasive and technically challenging to perform. PET imaging, on the other hand, provides high sensitivity and diagnostic precision by visualizing *in vivo* Aβ and tau protein aggregations, the pathological hallmarks of AD. As diagnostic technologies continue to advance, PET imaging and fluid biomarker testing have significantly enhanced early detection capabilities.

As of the Latest Practicable Date, there were two pathology-targeted PET tracers (XTR005 and ^{18}F-Florbetapir) approved for the diagnosis of AD in China. Following its official launch in 2025, the market in China is projected to experience significant growth, expanding from RMB2.5 billion in 2031 to RMB9.5 billion in 2036, representing a CAGR of 30.0%.

As of the Latest Practicable Date, there were six pathology-targeted PET tracers under clinical development in China, including three targeting tau protein. With the launch of our XTR005 in 2025 and our Key Product XTR006 advancing to the Phase III clinical stage, we are positioned as the most clinically advanced player in the Chinese market targeting both Aβ and tau for AD diagnosis. For details regarding the competitive landscape of pathology-targeted PET tracers, see "Industry Overview – Major Indications – AD."

Competitive Advantages

Facilitating AD Staging, Prognostic Assessment, and Advancing Therapy Development

As a tau-targeted radioligand, XTR006 has strong potential to facilitate AD staging and prognostic assessment through its targeted mechanism of action. Tau PET plays a crucial role in staging AD, as its imaging results closely align with Braak pathological staging, accurately reflecting tau accumulation at different disease stages. In early AD (Braak I-II), tau pathology is primarily confined to the entorhinal cortex and hippocampus. During mid-stage AD (Braak III-IV), it extends to the limbic system and the temporal neocortex, while in late-stage AD (Braak V-VI), it further spreads to the frontal, parietal, and occipital lobes. By mapping tau distribution in the brain, tau PET objectively determines disease staging and progression.

Moreover, the spatial distribution of tau signals strongly correlates with specific cognitive impairments. For instance, tau accumulation in the entorhinal cortex is associated with memory loss, while high tau burden in the temporoparietal junction corresponds to declines in language and visuospatial functions. This enables precise assessment of disease severity and trajectory, providing a critical window for early diagnosis and intervention.

From a prognostic perspective, tau PET serves as a robust predictor of cognitive decline and disease progression. Studies indicate that MCI patients with both amyloid and tau positivity have a significantly higher risk – up to 26.7 times – of developing dementia compared to those with only amyloid positivity. Furthermore, baseline tau PET positivity is strongly correlated with the rate of cognitive decline, particularly in patients with high tau burden in the medial temporal and posterior temporoparietal regions, who experience more rapid disease progression.

Furthermore, tau PET can also serve as a valuable tool for evaluating treatment efficacy, particularly in the development of tau-targeted therapies. Specifically, in the development and clinical application of AD therapies, tau PET serves as a crucial companion diagnostic tool. Therefore, XTR006 can potentially facilitate patient selection and provide an objective measure for assessing treatment efficacy, particularly for disease-modifying drugs targeting tau pathology.

Potentially Improved Specificity for Tau Deposits in AD According to Preclinical Studies and IITs

XTR006 (i.e. MK-6240) is categorized as a Class 3 chemical drug. It is potentially the most selective tau PET tracer available to date. Preclinical studies demonstrated that XTR006 binds specifically to NFTs in the brain of AD animal models, while showing negligible binding to tau aggregates associated with other tauopathies such as progressive supranuclear palsy and corticobasal degeneration.

Researchers conducted a comprehensive autoradiography validation study to assess the binding characteristics of XTR006 using postmortem human brain tissue samples from a wide spectrum of neuropathologically confirmed cases, including AD, various non-AD tauopathies, and control subjects. The study directly compared the regional and substrate-specific binding patterns of XTR006 with those of AV-1451 (or Tauvid®), an approved ^{18}F-labeled tau PET tracer in the U.S., EU and Japan by Eli Lily, and investigated off-target binding, including potential interaction with monoamine oxidase enzymes. The results demonstrated that XTR006 binds with high affinity and selectivity to NFTs in AD brain tissue, while showing minimal binding to tau aggregates in non-AD tauopathies and no detectable binding to Aβ, α-synuclein, or TDP-43 lesions. Furthermore, the study demonstrated that XTR006 and AV-1451 have nearly identical binding profiles. Importantly, XTR006 displays minimal off-target binding to monoamine oxidase enzymes, while AV-1451 exhibits comparatively higher affinity.

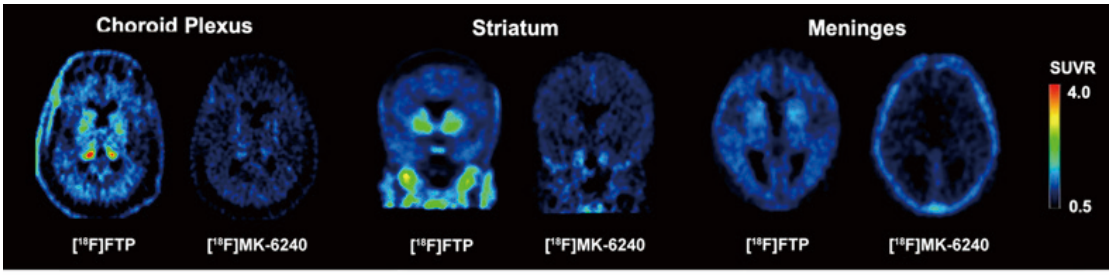
Promising Safety and Efficacy Profile According to Clinical Studies

XTR006 has demonstrated a favorable safety profile. A total of over 19,000 patients overseas and over 80 subjects in China have received XTR006, with no drug-related SAEs reported. Most AEs were mild in severity. Data from our Phase I clinical trial in China showed that XTR006 exhibited rapid clearance from venous plasma, with elimination occurring within 30 minutes. These findings are consistent with trends observed in both Caucasian and Japanese populations.

As a tau PET tracer, XTR006 incorporates an innovative molecular design that effectively overcomes the off-target binding issues observed with approved PET tracers such as AV-1451. This results in significantly improved specificity and a higher signal-to-noise ratio, thereby enhancing imaging quality and diagnostic accuracy.

In a direct, within-subject comparison of the tau PET tracers XTR006 and AV-1451, researchers found that AV-1451 frequently exhibited off-target binding in the striatum and choroid plexus, whereas XTR006 showed minimal off-target retention in these regions.

Comparison of Off-target Binding



Source: Literature review

The improved specificity can be potentially translated into clinical benefits. According to an IIT conducted in China, XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group, further supporting the potential of XTR006 as a diagnostic agent for AD.

Furthermore, positive results from clinical trials conducted overseas underscore the potential of XTR006. In April 2025, Lantheus announced that MK-6240 successfully met its co-primary endpoints in two pivotal studies evaluating its sensitivity and specificity. This achievement highlights the potential of MK-6240 (XTR006) as a valuable diagnostic tool.

Favorable Marketing Opportunity with Limited Competition

XTR006 has the potential to capture a vast and rapidly growing market. Epidemiological data suggest that the number of MCI patients in China is expected to increase from 52.6 million in 2025 to 82.2 million in 2036, with a CAGR of 4.1%. Likewise, the prevalence of ADOD is projected to grow from 18.9 million to 27.2 million over the same period, reflecting a CAGR of 3.3%. With the aging population, these numbers are anticipated to continue to rise significantly. According to CIC, neurodegenerative diseases affect approximately 10% of individuals over the age of 65. With the acceleration of population aging in China, the demand for AD diagnostics will continue to rise. As of the Latest Practicable Date, there was no approved tau PET tracer in China, positioning XTR006 as a first-mover with the opportunity to address the relevant medical needs.

Proprietary R&D and Manufacturing Expertise

Radiopharmaceuticals differ from conventional drugs in that their active pharmaceutical ingredients ("**APIs**") cannot typically be obtained in their active form. Instead, they must be synthesized through radiochemical labeling and immediately formulated into the final dosage form. This makes manufacturing processes a key determinant of formulation feasibility and overall drug development success.

XTR006's manufacturing processes incorporate optimized synthetic pathways to achieve high-yield, high-purity API production, along with advanced radiolabeling and formulation techniques to ensure efficient labeling and a stable final product. XTR006's proprietary research and development capabilities provide a strong foundation for its future clinical success and potential market entry.

Summary of Clinical Trials

As of the Latest Practicable Date, we sponsored and conducted a Phase I clinical trial and a Phase III clinical trial of XTR006 in China. An IIT of XTR006 was sponsored and conducted by Independent Third Party investigator in China, Chinese PLA General Hospital (Leading PI: Dr. Jianjun JIA), which led to the exemption of Phase II clinical trial of XTR006 by NMPA.

In April 2022, we received IND approval from the NMPA to conduct exploratory clinical trials of XTR006 for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia. Based on data from the completed IIT and the Phase I clinical trial, in May 2024, we communicated with the CDE for conducting a registrational Phase III clinical trial of XTR006 for the early diagnosis, screening, and assessment of disease progression in patients with suspected MCI due to AD or AD dementia. In July 2024, we received the confirmatory regulatory clearance from the NMPA for conducting the Phase III clinical trial. In November 2024, we initiated the Phase III clinical trial.

Registrational Phase III Clinical Trial of XTR006 for the Early Diagnosis of Patients with Suspected MCI due to AD or AD Dementia

Trial Design. This is a single-blind Phase III clinical trial designed to evaluate the efficacy and safety of XTR006 for detecting NFTs in the brains of elderly subjects. The clinical trial is solely sponsored and independently conducted by us in China. All enrolled subjects will receive a single intravenous injection of 5 mCi XTR006.

The primary objective of the study is to assess the sensitivity and specificity of visual interpretation of XTR006 compared with the reference standard. Secondary objectives include comparing the overall patterns of XTR006 brain uptake among subjects with MCI due to AD, AD dementia, and cognitively normal individuals, evaluating inter-reader agreement in interpreting XTR006 PET images, and assessing safety.

Trial Status. This trial was initiated in November 2024, and the trial was ongoing as of the Latest Practicable Date.

Phase I Clinical Trial of XTR006 in Healthy Adults Aged 50 to 70 Years

Trial Design. This is an open-label Phase I clinical trial of XTR006 in healthy middle-aged adults and elderly aged 50 to 70 years, conducted to evaluate its safety, biodistribution, radiation dosimetry, and pharmacokinetics. The trial was solely sponsored and independently conducted by us in China. A total of ten subjects were enrolled. The average administered radioactivity was 9.24 mCi through a single bolus intravenous injection.

The primary objective of this study is to assess the safety of a single bolus intravenous injection of XTR006 in healthy middle-aged adults and elderly in China. The secondary objectives are to evaluate the biodistribution (via PET imaging), radiation dosimetry, and pharmacokinetic profile of a single bolus intravenous dose of XTR006 in these healthy middle-aged adults and elderly.

Trial Status. We initiated the study in June 2023, completed the last patient's last visit in September 2023, and completed this trial in January 2024.

Results. Only one out of the ten subjects who received XTR006 injection reported two TEAEs. All TEAEs were mild in severity, unrelated to the study drug, required no symptomatic treatment, and resolved during follow-up. No SAEs were reported, no subjects withdrew due to SAEs, and there were no deaths during the study.

Biodistribution results showed that XTR006 exhibited rapid and widespread distribution throughout the body after administration. During 0 to 10 minutes post-injection, radioactivity was primarily distributed in the liver, brain, lungs, kidneys, and myocardium. XTR006 was excreted via the urinary and gastrointestinal systems.

Also, the results showed that XTR006 was rapidly metabolized in the human body. In plasma, XTR006 was quickly cleared within 30 minutes post-injection, with less than 15% of the parent compound (i.e. XTR006) remaining after 30 minutes.

Conclusion. Phase I clinical trial results showed that XTR006 demonstrated a good safety and tolerability profile. It is rapidly metabolized and primarily excreted via the urinary and gastrointestinal systems.

IIT of XTR006 for the Diagnosis of MCI Due to AD and Mild to Moderate AD

Trial Design. This is a single-arm, open-label IIT of XTR006 to evaluate its diagnostic performance as a tracer for detecting MCI due to AD and mild to moderate AD. The study was initiated by an Independent Third Party investigator Chinese PLA General Hospital (Leading PI: Dr. Jianjun JIA) and conducted in China. Chinese PLA General Hospital and Dr. Jia possess the necessary qualifications to conduct IITs. Dr. Jia is a chief physician, professor, and doctoral supervisor, and currently serves as Deputy Director of the PLA General Hospital National Clinical Research Center for Geriatric Diseases and Director of the PLA Institute of Geriatrics. Dr. Jia has never been employed by us, has never served as our director, and is an Independent Third Party. The primary objective of the IIT was not conventional academic exploration, but rather to generate clinical data sufficient to support future marketing approval. Accordingly, we assumed significant responsibilities in the design and conduct of the IIT and adopted standards comparable to those of a Phase II registration trial, implementing rigorous scientific, regulatory and data quality controls. Specifically, we were responsible for key aspects of the IIT, including protocol design, quality oversight, investigational product management, and data analysis and reporting. A total of 42 subjects were enrolled, each receiving a single intravenous dose of 8.0 to 10.0 mCi XTR006.

The primary endpoints of this study included the sensitivity and specificity of XTR006 PET in detecting MCI due to AD and mild to moderate AD, both by visual review PET images and by quantitative analysis, and the cutoff values of the Standardized Uptake Value Ratio ("**SUVR**").

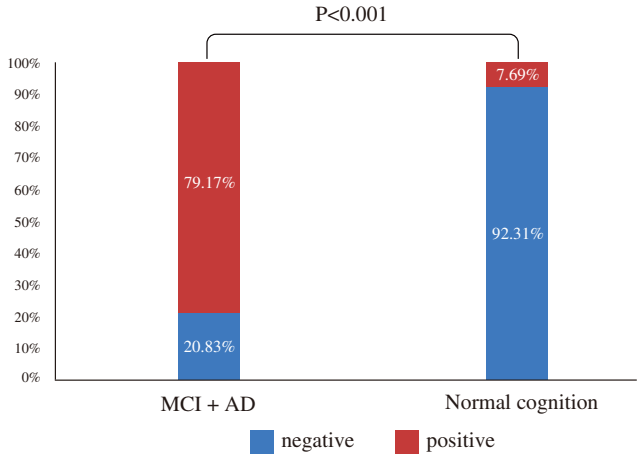
Secondary endpoints included the stability of SUV values at different XTR006 PET imaging time points, inter-reader and intra-reader Kappa values after review of XTR006 PET images, statistical differences in cognitive function ("**MMSE**") and functional activity ("**FAQ**") scores between positive and negative groups as determined by XTR006 PET images review, correlation between SUVR in brain regions of interest and MMSE/FAQ scores, the image quality of lower-dose XTR006 PET images, and the incidence of AEs and SAEs.

Trial Status. The study was initiated in September 2022, and completed in January 2024.

Safety Profile. a total of 42 subjects were enrolled in this study. Among these subjects, 14 with no cognitive impairment, 13 with MCI due to AD, and 15 with mild to moderate AD. A total of six subjects experienced six instances of TEAE. All TEAEs were mild and unrelated to the study drug.

Efficacy Profile. Three independent readers reviewed the brain regions of interest in XTR006 PET images. The final diagnostic result had to be consistent across at least two readers. These results were used to determine the sensitivity and specificity of XTR006 PET in detecting tau protein, compared to the standard of truth (**"SoT**"). The results showed that XTR006 demonstrated a 92.3% negativity rate in the non-cognitive impairment group and a 79.2% positivity rate in the MCI/AD group.

XTR006 PET in Groups of MCI and AD vs. Normal Cognition



Source: Company data

Quantitative analysis revealed that the SUVR values of different regions of interest in brain in the MCI/AD group were significantly different from the non-cognitive impairment group (P<0.01). XTR006 PET imaging, using the SUVR parameter in Braak regions along with corresponding cutoff values, effectively distinguishes individuals with abnormal cognition (MCI + AD) from those with normal cognition, achieving high sensitivity (0.739 to 1.0) and specificity (0.833 to 1.0). These results highlight the strong potential of XTR006 PET in diagnosing AD-related cognitive impairment and suggest its further application in staging AD based on tau protein deposition in the brain.

Braak Stage	Sensitivity	Specificity	AUC
Braak I (cutoff 1.16)	0.87	0.917	0.909
Braak II (cutoff 1.03)	0.913	0.917	0.938
Braak III (cutoff 1.12)	1	0.917	0.975
Braak IV (cutoff 1.06)	0.957	0.833	0.92
Braak V (cutoff 1.04)	0.739	1	0.855
Braak VI (cutoff 1.05)	0.739	1	0.862
Braak (I-VI) (cutoff 1.22)	0.739	1	0.92

Source: Company data

On the other hand, this study also explored PET imaging parameters and administration doses. The results indicated that the optimal PET scanning window was 90 to 110 minutes, and the recommended radioactive injection dose is 5.0 to 10.0 mCi.

Conclusions. The results showed that XTR006 could effectively detect tau protein with high sensitivity and specificity. It also exhibited a favorable safety and tolerability profile. The optimal PET scanning window was determined to be 90 to 110 minutes post-injection, and the recommended radioactive dose for XTR006 was 5.0 to 10.0 mCi.

In general, IITs cannot substitute for registrational clinical trials. For radiopharmaceuticals, however, the regulatory approach may vary, and whether a particular IIT is sufficient to substitute for a registrational clinical trial should be assessed on a case-by-case basis. In current regulatory practice, there are precedents where drug candidates have proceeded directly from Phase I clinical trials to Phase III clinical trials.

With respect to XTR006 specifically, prior to initiating the confirmatory Phase III clinical trial, we had completed a Phase I clinical trial and an IIT in China in accordance with the Phase I and Phase II clinical trial requirements under the Technical Guidelines for Clinical Evaluation of In Vivo Diagnostic Radiopharmaceuticals (《放射性體內診斷藥物臨床評價技術指導原則》). We evaluated the data generated from these studies together with clinical data from overseas studies of the originator product MK-6240 and believed that the available clinical data were sufficient to support the initiation of a Phase III clinical trial. Pursuant to the Administrative Measures for Communication and Exchange on Drug Development and Technical Review of the Center for Drug Evaluation of the National Medical Products Administration (《國家藥品監督管理局藥品審評中心藥物研發與技術審評溝通交流管理辦法》), communication with the regulatory authority is required before initiation of a Phase III clinical trial, and such trial may only

commence after obtaining regulatory concurrence. We formally communicated with the NMPA regarding the rationale for using the available clinical and IIT data to support the Phase III clinical trial, as well as the proposed Phase III clinical trial protocol, and obtained its regulatory clearance to proceed with the Phase III clinical trial of XTR006.

Clinical Development Plan

We have initiated a Phase III clinical trial of XTR006 for the diagnosis of AD, and expect to complete this trial in the fourth quarter of 2027.

We plan to update the clinical study design in light of the FDA approval of MK-6240 in the U.S., recharacterize the study as a bridging study, simplify the patient population, recalculate the sample size, and request a formal communication meeting with the CDE. Upon reaching agreement with the CDE, we will continue and complete the clinical trial and subsequently submit the marketing application in accordance with the registration pathway agreed upon during such communication.

In terms of the impact on our operations and financial performance, we expect that the updated clinical development strategy will reduce the sample size of the Phase III clinical trial, simplify the patient population, lower operational complexity and reduce clinical development expenses.

Licenses, Rights and Obligations

XTR006 was originally developed by Merck Sharp & Dohme Corp., which subsequently out-licensed its exclusive rights to XTR006 to Cerveau. In July 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in Chinese Mainland. We in-licensed XTR006 while it was still in preclinical studies. Since then, we independently obtained IND approval, sponsored and completed a Phase I clinical trial and are advancing a Phase III clinical trial of XTR006 for AD diagnosis in China. For details regarding the XTR006 Agreement, see "– Collaboration Arrangements."

For the development of XTR006 in China, except for the transfer of the technology in connection with the out-licensed rights, Cerveau did not participate in the subsequent research and development of XTR006 in China. Merck Sharp & Dohme Corp., the original developer of MK-6240, i.e. XTR006, did not participate in the subsequent research and development of XTR006 in China. The domestic development and registration of XTR006 have been carried out independently by us.

Material Communications with Competent Authorities

As of the Latest Practicable Date, we have not received any concerns or objections from the NMPA related to our clinical development plans, including the conduct of Phase III clinical trials.

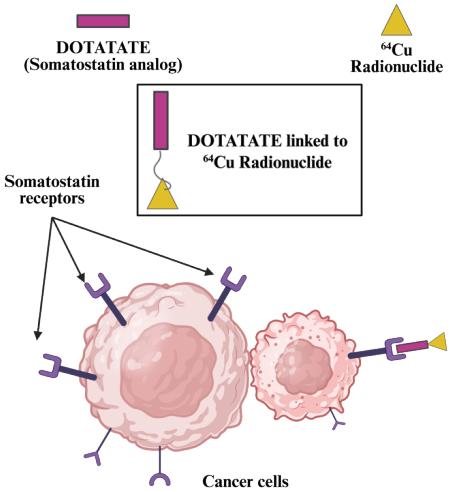
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR006 SUCCESSFULLY.

XTR015 – ^{64}Cu-labeled SSTR-targeted PET Tracer

XTR015 is a ^{64}Cu-labeled SSTR-targeted PET radioligand for the diagnosis of NETs, designed to provide an integrated diagnostic and therapeutic solution in combination with XTR008. The targeting ligand of XTR015 incorporates the same Octreotate structure, making it a reference for pre-treatment testing and post-treatment efficacy evaluation in patients receiving ^{177}Lu-DOTATATE, such as XTR008. The ^{64}Cu isotope enables high-resolution PET imaging to detect tumor receptor expression and disease burden. Compared to ^{68}Ga-labeled tracers, ^{64}Cu offers several advantages, including a longer half-life (12.7 hours vs. 67.7 minutes), better spatial resolution due to a shorter positron range, and a more flexible imaging window (one to three hours vs. one hour post-injection), which enhances clinical efficiency. This allows for centralized production, wider distribution, and more accessible clinical use. We obtained the IND approval from the NMPA for conducting Phase III clinical trials of XTR015 for the diagnosis of NETs in July 2024, initiated patient enrollment in March 2026, and expect to complete patient enrollment in December 2026.

Mechanism of Action

XTR015 (i.e. ^{64}Cu-DOTATATE) binds to SSTR, with the highest affinity for SSTR. It specifically targets cells that express somatostatin receptors, including malignant neuroendocrine cells that overexpress SSTR2. ^{64}Cu is a positron (β +) emitting radionuclide with an emission yield suitable for PET imaging. The relatively long half-life of ^{64}Cu (approximately 12.7 hours) allows for flexible imaging windows and centralized production of the radioligand, facilitating regional distribution and improving clinical practicality.



Source: Company data

Market Opportunities and Competition

As approximately 90% of NENs express SSTRs, nuclear medicine imaging methods have become the standard approach for diagnosing and assessing NENs, particularly well-differentiated NETs. SSTR-based modalities provide critical clinical benefits, including primary tumor staging and metastatic evaluation, pre-surgical planning, detection of occult primaries in metastatic disease, patient selection for PRRT, evaluation of treatment response and prediction of disease prognosis.

SSTRs imaging techniques include SSTR-PET and SPECT scintigraphy. Currently, ^{68}Ga-labeled PET tracers are considered the "gold standard" for imaging NETs, while ^{111}In-DTPA-octreotide SPECT remains a useful alternative. However, ^{64}Cu-labeled PET tracers offer significant advantages over both ^{68}Ga-labeled PET tracers and ^{111}In-DTPA-octreotide in diagnosing NETs. Studies have shown that ^{64}Cu-labeled PET tracers have a superior lesion detection rate compared to ^{68}Ga-labeled PET tracers, with most of the additional lesions identified being true positives. When compared to ^{111}In-DTPA-octreotide SPECT, ^{64}Cu-labeled PET tracers detected twice as many lesions and identified additional organ involvement in one-third of patients. The improved performance of ^{64}Cu-labeled PET tracers is likely due to its lower positron range, which enhances lesion detection accuracy. Additionally, its longer shelf life (approximately 48 hours) and flexible imaging window (one to three hours) make it particularly well-suited for routine clinical use.

As of the Latest Practicable Date, four SSTR-targeted PET tracers had been approved for marketing globally. As of the Latest Practicable Date, at least ten SSTR-targeted PET tracers had received IND approvals globally, and seven SSTR-targeted PET tracers had received IND approvals from the NMPA. Among them, five were under clinical development in China.

Competitive Advantages

Superior Imaging Performance of PET Tracers

Compared to SPECT imaging, PET tracers provide significant advantages in terms of spatial resolution, sensitivity, and receptor affinity. For SSTR-targeted imaging – commonly used in the diagnosis of NETs – PET tracers demonstrate a higher binding affinity to SSTR. This enhanced affinity improves the detection of small lesions, increasing the accuracy of tumor localization and staging. As a result, PET-based imaging has become an increasingly important tool in guiding clinical decision-making and optimizing treatment strategies for NET patients.

Clinical Advantages of ^{64}Cu Compared to ^{68}Ga

Longer Half-Life. Currently, the most commonly used SSTR-targeted tracers are ^{68}Ga-labeled somatostatin analogs. However, ^{68}Ga has a short half-life of only 67.7 minutes, requiring on-site synthesis at medical facilities equipped with a ^{68}Ge/^{68}Ga generator. This places a considerable logistical and operational burden on hospitals. ^{64}Cu has a significantly longer half-life of approximately 12.7 hours, allowing for centralized production and wider distribution. This enables more flexible logistics, facilitates batch manufacturing by pharmaceutical companies, and enhances accessibility in clinical practice.

Improved Image Resolution Through Lower Positron Range. From a physical perspective, ^{64}Cu emits positrons with a shorter range in tissue compared to ^{68}Ga. This shorter positron range translates to better spatial resolution in PET images. The higher image clarity provided by ^{64}Cu-labeled tracers can help distinguish small or closely spaced lesions more effectively, which is particularly important in anatomically complex regions or in detecting early-stage disease.

Extended Imaging Window Enhances Clinical Flexibility. Another key advantage of ^{64}Cu-labeled tracers lies in their extended imaging time window. While ^{68}Ga-labeled agents typically require PET scanning at around one hour post-injection, delayed imaging can negatively affect image quality. In contrast, ^{64}Cu-labeled tracers allows for imaging between one to three hours post-injection without significant differences in diagnostic outcomes. This wider imaging window offers greater flexibility in scheduling, improves workflow efficiency, and reduces time pressure on both healthcare providers and patients.

Broad Applicability. Both ^{64}Cu-labeled and ^{68}Ga-labeled SSTR-targeted PET tracers have demonstrated high sensitivity in the diagnosis of neuroendocrine tumors. In terms of diagnostic performance, studies suggest that ^{64}Cu-labeled tracers and ^{68}Ga-labeled tracers offer comparable efficacy. However, the practical advantages of ^{64}Cu – such as its longer half-life, enhanced spatial resolution, and expanded imaging window – make it more adaptable to a broader clinical implementation. This positions ^{64}Cu-based tracers as a promising option for wider adoption in SSTR-targeted PET imaging.

Summary of Clinical Trials

Phase III Clinical Trial of XTR015 for the Diagnosis of NETs

Trial Design. This is an open-label, single-arm Phase III clinical trial to evaluate the diagnostic performance, safety and tolerability, biodistribution, radiation dosimetry, and pharmacokinetics of XTR015 in patients with known or suspected neuroendocrine tumors. This trial is solely sponsored and independently conducted by us in China. Enrolled patients will receive a single intravenous bolus injection of 4 mCi (±20%) XTR015.

The primary endpoint is the sensitivity and specificity at the subject level based on majority adjudication. Secondary endpoints include sensitivity and specificity at the subject level for each individual reader, AEs including changes in vital signs, changes in laboratory parameters and changes in electrocardiogram parameters, as well as radiation dosimetry and pharmacokinetic parameters.

Trial Status. The trial was initiated in March 2026. We expect to complete patient enrollment of this trial in December 2026.

Licenses, Rights and Obligations

We have global rights to develop, manufacture and commercialize XTR015.

Material Communications with Competent Authorities

Based on our communications with the NMPA, we have secured IND approval from the NMPA to conduct the registrational Phase III clinical trial of XTR015 for the diagnosis of NETs in July 2024. The trial design incorporates pharmacokinetics and radiation dosimetry studies. Phase I and Phase II clinical trials are not required to be conducted, as XTR015 is a generic version of Detectnet®. We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR015 SUCCESSFULLY.

XTR010 –^{177}Lu-labeled PSMA-targeted Radioligand Therapy

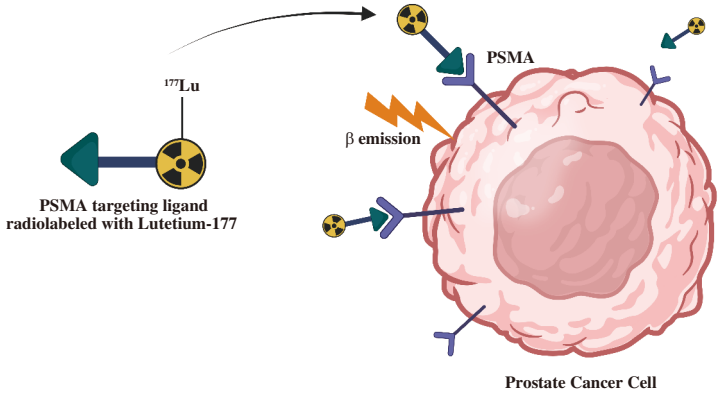
XTR010 is an innovative ^{177}Lu-labeled PSMA-targeted radioligand therapy for the treatment of mCRPC. PSMA is an ideal therapeutic target due to its elevated expression in mCRPC and its positive correlation with Gleason scores. XTR010 utilizes a PSMA-targeting ligand that binds selectively to PSMA on prostate cancer cells. Upon binding, the radioligand is internalized into the cells, where the radionuclide ^{177}Lu emits beta particles to induce DNA damage and cell death, sparing normal tissues. Such mechanism of action was validated by Novartis' Pluvicto® through its clinical trials and its FDA approval. Unlike XTR021, which is primarily designed for first-line treatment of mCRPC, XTR010 targets second- and later-line mCRPC. With both XTR010 and XTR021, we aim to enhance the competitiveness of our prostate cancer portfolio.

Different from Pluvicto®, XTR010 incorporates a structurally optimized targeting ligand, enhancing tumor uptake with a reduced radionuclide dose, offering an effective treatment for prostate cancer. While Pluvicto® is currently the only globally approved radioligand therapy for mCRPC, XTR010 stands out as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China, positioning it ahead of domestic competitors. Additionally, its optimized ligand structure provides a cost advantage, requiring a smaller dose of radionuclide for similar or improved therapeutic effects, making XTR010 a promising, cost-effective treatment option for prostate cancer patients.

In December 2022, we obtained an umbrella IND approval from the NMPA for conducting Phase I and Phase II clinical trials of XTR010 in patients with mCRPC. As of the Latest Practicable Date, we were advancing XTR010 in a Phase I/II clinical trial in patients with mCRPC under the umbrella IND approval.

Mechanism of Action

PSMA is a transmembrane protein that plays a critical role in promoting cell survival and proliferation. It is highly overexpressed in prostate cancer cells – by approximately 100 to 1000 times compared to normal tissues – and its expression level correlates positively with Gleason scores, indicating more aggressive disease. XTR010 utilizes a PSMA-targeting ligand that binds selectively to PSMA on the surface of prostate cancer cells. Upon binding, the radioligand is internalized into the tumor cells via receptor-mediated endocytosis. Once internalized, the radionuclide ^{177}Lu emits β-particles, which induce DNA damage and subsequent cell death in PSMA-expressing tumor cells and neighboring cancer cells through the crossfire effect, while sparing most normal tissues. This targeted mechanism allows XTR010 to deliver potent and localized radiation therapy, thereby improving tumor control and minimizing systemic toxicity.



Source: Company data

Market Opportunities and Competition

Prostate cancer is a common malignancy among middle-aged men, typically between 45 and 60 years old, and remains a major cause of male mortality worldwide. Genetic mutations – particularly those affecting the androgen receptor signaling pathway and testosterone metabolism – play a critical role in its development. In recent decades, PSMA has emerged as a promising diagnostic and therapeutic target due to its high expression in nearly all stages of prostate cancer, including bone and lymph node metastases, while maintaining low expression in normal tissues.

Globally, the incidence of prostate cancer reached 1.4 million in 2020 and increased to 1.6 million in 2025, with a CAGR of 2.0%. The number is expected to further grow to 2.1 million in 2036, with a CAGR of 2.6% from 2025 to 2036. In China, the incidence of prostate cancer rose from 112,100 in 2020 to 171,300 in 2025, representing a CAGR of 8.8%. It is projected to further increase to 325,100 in 2036, with a CAGR of 6.0% from 2025 to 2036. In China, approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy. Approximately 70% of patients with prostate cancer experience disease progression after first-line treatment. XTR010 and XTR021, another ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC, are positioned in different treatment lines for mCRPC. Specifically, XTR010 targets second- and later-line mCRPC for patients with low-dose requirements, stringent long-term safety considerations, or a short expected survival period, whereas XTR021 is designed for first-line mCRPC patients with rapidly progressing disease who require highly potent treatment and, when combined with standard of care, may also be used in the frontline treatment of mHSPC. Together, XTR010 and XTR021 are expected to enhance the portfolio's competitive position in prostate cancer.

The standard of care for prostate cancer varies by stage and disease progression. In mCRPC, treatment progresses through multiple lines: In mCRPC, first-line options include ARPIs, chemotherapy and, for selected patients, ^{177}Lu-PSMA-617 in combination with enzalutamide. Following prior ARPI treatment without prior docetaxel, treatment options include docetaxel, ^{177}Lu-PSMA-617 and other systemic therapies; following both ARPI and docetaxel, subsequent treatment options include ^{177}Lu-PSMA-617, cabazitaxel and other targeted or systemic therapies. Despite available treatments, mCRPC remains incurable and is generally associated with poor prognosis. Despite available treatments, nearly all patients progress to CRPC within 18 to 24 months of endocrine therapy, and in China, curative options for mCRPC remain lacking, with generally poor prognosis at this stage.

As of the Latest Practicable Date, Pluvicto® was the only radioligand therapy approved globally for the treatment of prostate cancer. As of the Latest Practicable Date, there were 15 PSMA-targeted therapeutic radioligands under Phase II or later-stage clinical development on a global scale, with ten of them in Phase II or later-stage development in China. For details regarding the competitive landscape of PSMA-targeted therapeutic radioligands, see "Industry Overview – Major Indications – Prostate Cancer – Treatment of Prostate Cancer."

Competitive Advantages

XTR010 is an innovative PSMA-targeted radiopharmaceutical designed to treat mCRPC. It incorporates a structurally optimized targeting ligand molecule, enhancing tumor uptake with a reduced dose of radionuclide, offering an effective treatment for patients with prostate cancer. XTR010 stands out with its significant competitive advantages, including its advanced clinical development status as the first domestically-developed PSMA-targeted radiopharmaceutical to receive IND approval in China. This achievement positions XTR010 ahead of domestic competitors. Furthermore, the structural optimization of its targeting ligand provides a notable cost advantage, requiring a smaller dose of radionuclide for similar therapeutic effects. These innovations position XTR010 as a promising, cost-effective treatment option for prostate cancer patients.

Summary of Clinical Trial

Phase I/II Clinical Trial of XTR010 in Patients with mCRPC

Trial Design. This is an open-label Phase I/II clinical trial designed to evaluate the safety, tolerability, radiation dosimetry, pharmacokinetics, and efficacy of XTR010 in patients with metastatic prostate cancer. The trial is solely sponsored and independently conducted by us in China. Enrolled patients will receive 123 MBq/mL XTR010 via a single intravenous injection at a dose of either 1.11 GBq or 1.85 GBq, administered once every 8 weeks for a total of four doses. The Phase I/II clinical trial contains two studies: Phase I study and Phase II study. The design of the Phase II study will be determined based on the results of the Phase I study. The Phase I and Phase II studies will be conducted as two separate trials.

In the Phase I dose-confirmation study, the primary objectives are to assess the safety and tolerability of XTR010 at doses of 1.11 GBq and 1.85 GBq in patients with mCRPC, as well as to evaluate the radiation dosimetry and PK profile following a single dose. The secondary objective is to assess efficacy endpoints in the two dose groups.

In the Phase II expansion study, the primary objective is to evaluate the efficacy of the recommended Phase II dose, as determined from the Phase I dose-confirmation study, in combination with standard therapy across different cohorts of metastatic prostate cancer. Secondary objectives include evaluating additional efficacy endpoints, as well as safety and tolerability.

Trial Status. We initiated the Phase I study of the Phase I/II clinical trial in September 2023, and completed the Phase I study of the trial in September 2026. We plan to initiate the Phase II study of the Phase I/II clinical trial in December 2026, and complete patient enrollment of approximately 20 patients in the fourth quarter of 2027. We submitted the application for ethics committee approval in October 2026. The Company confirms that progress of this clinical trial remains aligned with our clinical development plan for products that are not designated as Core Products or Key Products, taking into account our strategic allocation of resources.

Results of Phase I Study of the Phase I/II Clinical Trial. The efficacy and safety of XTR010 both demonstrated dose-dependent trends. The 1.85 GBq dose showed greater efficacy, with a PSA50 response rate of 83.3% and a median rPFS of 13.5 months, but was associated with poorer safety and tolerability. The incidence of Grade ≥3 TRAEs was 66.7%, and 50.0% and 66.7% of subjects experienced TEAEs leading to dose reduction and permanent treatment discontinuation, respectively. The 1.11 GBq and 1.48 GBq doses demonstrated similar efficacy, with a PSA50 response rate of 66.7% for both doses, while showing better safety and tolerability. In particular, at the 1.11 GBq dose, the incidence of Grade ≥3

TRAEs was only 16.7%, with no TEAEs leading to dose reduction or permanent treatment discontinuation, and substantially all subjects were able to complete four treatment cycles. Taking into account the efficacy and overall safety observed in subjects, the SRC determined that 1.11 GBq would be selected as the RP2D.

Licenses, Rights and Obligations

In 2018, we entered into an agreement (the "**XTR010 Agreement**") with NIBIB to in-license exclusive global rights to make, use, sell, offer to sell, and import Evans blue-modified small molecule-based PSMA radiotherapies, including XTR010, for the treatment of metastatic castration-resistant prostate cancer. In-licensed while XTR010 was in the preclinical stage, we carried out preclinical studies, and independently sponsored and are advancing a Phase I/II clinical trial of XTR010 in China. For detailed information regarding the XTR010 Agreement, see "Collaboration Arrangements."

Material Communications with Competent Authorities

We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR010 SUCCESSFULLY.

XTR021 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy

XTR021 is a ^{177}Lu-labeled PSMA-targeted radioligand for the treatment of mCRPC. It has a similar mechanism of action as Pluvicto® (^{177}Lu-PSMA-617). For details regarding market opportunities and competition of PSMA-targeted therapeutic radioligands, see "– Product Candidates – XTR010 – ^{177}Lu-labeled PSMA-targeted Radioligand Therapy – Market Opportunities and Competition."

Preclinical and clinical data have shown that XTR021 exhibited strong inhibitory activity against human PSMA and superior internalization efficiency compared to ^{177}Lu-PSMA-617, potentially offering better tumor targeting and reduced off-target toxicity. In an IIT, XTR021 has demonstrated a rapid prostate-specific antigen response, indicating improved efficacy and reduced treatment-related toxicity, positioning it as a promising innovative therapy for advanced prostate cancer. As of the Latest Practicable Date, XTR021 was investigated under an IIT in patients with PSMA-positive mCRPC in China. We obtained IND approval for conducting Phase I and Phase II clinical trials of XTR021 in patients with PSMA-positive mCRPC in June 2026. We initiated a Phase Ib study of a Phase Ib/II clinical trial and expect to complete patient enrollment of the Phase Ib study in March 2027.

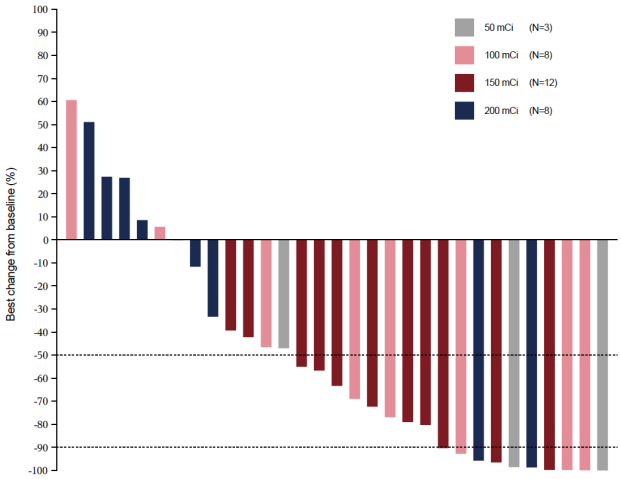
Competitive Advantages

The therapeutic potential of XTR021 has been supported by both preclinical and clinical data. In preclinical studies, the targeting ligand of XTR021 exhibited potent inhibition of enzymatic activity and a high binding affinity against human PSMA, at single digit and sub-nanomolar range, respectively. Unlike ^{177}Lu-PSMA-617, the affinity and potency of XTR021 remain uncompromised following ^{177}Lu conjugation. Furthermore, according to preclinical studies, XTR021 exhibited enhanced internalization into PSMA-positive tumor cells – an essential feature for maximizing the therapeutic efficacy of radioligand therapy. In head-to-head comparisons using PSMA-positive xenograft models, XTR021 demonstrated a higher tumor-to-nontumor uptake ratio and a longer mean tumor residence time than ^{177}Lu-PSMA-617, indicating improved tumor targeting and potentially reduced off-target toxicity.

In order to investigate the preliminary efficacy, safety profile, dosimetry and effective dose range of XTR021, an open-label, single-arm, dose-escalation and dose-expansion IIT was conducted at a top-tier tertiary hospital in China as the leading site. Its primary endpoints include the incidence of TEAEs, safety and tolerability, DLTs, and whole-body and organ uptake of XTR021 Injection, while secondary endpoints include PSA50 response, time to PSA progression, rPFS, ORR, DOR, DCR and time to first symptomatic skeletal events ("**SSE**"). The IIT is not intended to replace any phase of an NMPA-registered clinical trial, but rather to generate exploratory data and provide guidance for the design of future registrational studies. We assisted the investigators in protocol design, quality control, investigational product management, statistical analysis and study report preparation, and also provided financial support as well as the therapeutic radionuclides and precursors used in the study.

In the IIT, XTR021 has shown a rapid onset of prostate-specific antigen response, which is associated with longer radiographic progression-free survival – a key indicator of clinical benefit. The IIT was designed to evaluate the safety, dosimetry, and efficacy of XTR021 in patients with PSMA-positive mCRPC, and consists of a dose-escalation stage and a dose-expansion stage. As of the data cutoff date of November 4, 2025, 34 patients had been enrolled in the study, with 30 patients having undergone at least one PSA response assessment. A PSA decline was observed in 83.3% of patients, with overall and 12-weeks PSA50 response rates of 63.3% and 66.7%, respectively. All responders achieved PSA50 responses within two cycles.

Best PSA Response Post Injection of XTR021



Note: The data cutoff date was November 4, 2025.

Source: Company data

Dosimetry analysis revealed a tumor absorbed dose of 3.46 ± 1.74 Gy/GBq, with a biological half-life of 200.56 ± 128.21 hours. The absorbed doses to the kidneys, red marrow, and salivary glands were 0.67 ± 0.50, 0.05 ± 0.02, and 0.51 ± 0.12 Gy/GBq, respectively. The tumor-to-salivary gland absorbed dose ratio was 7.22.

No Grade ≥3 adverse events or salivary toxicity were observed. These results indicate a well-defined metabolic pathway and a favorable safety profile. The incidence of dry mouth is 24%, with no Grade 3 events observed, which is numerically lower than that reported for ^{177}Lu-PSMA-617 in the VISION and PSMAfore studies based on a non-head-to-head comparison.

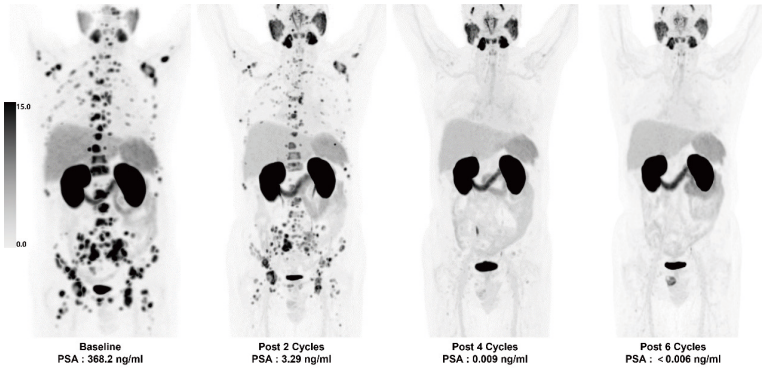
Safety Profile of XTR021

TEAE	**ALL (N=25)**	
Grade	**≥G3**	**All**
Any TEAE	0 (0.0)	8 (32)
Nausea	0 (0.0)	5 (20)
Dry Mouth	0 (0.0)	6 (24)
Leukocytopenia	0 (0.0)	5 (20)
Anemia	0 (0.0)	3 (12)

Note: The data cutoff date was November 4, 2025.

Source: Company data

Based on preliminary efficacy data from the IIT, XTR021 demonstrated promising antitumor activity. The images below show results from a 73-year-old male patient with castration-resistant prostate cancer and multiple bone metastases. He received 1.85 GBq of XTR021 and underwent PSMA-PET/CT scans after every two treatment cycles. A significant treatment response was observed after six cycles.



Source: Company data

This suggested that XTR021 may offer improved therapeutic efficacy with potentially lower treatment-related toxicity, highlighting its promise as a next-generation radioligand therapy for patients with advanced prostate cancer.

Summary of Clinical Trial

Phase Ib/II Clinical Trial of XTR021 in Patients with PSMA-positive mCRPC

Trial Design. This is a multicenter, open-label Phase Ib/II clinical trial of XTR021 designed to evaluate the safety, tolerability, pharmacokinetics, dosimetry and preliminary efficacy of XTR021 in patients with PSMA-positive mCRPC. This trial is independently sponsored and conducted by us in China. Patients will receive XTR021 intravenously at doses of 100, 150 or 200 mCi (±10%) once every six weeks (±1 week) for up to six cycles. The primary objectives are to assess safety and tolerability, evaluate preliminary antitumor efficacy based on the PSA50 response rate and ORR, and determine the RP2D. Secondary objectives include evaluation of additional efficacy endpoints, including PSA90 response, maximum PSA decline, time to PSA progression, rPFS, DOR, DCR, OS and SSEs, as well as characterization of radiation dosimetry and PK profiles.

Trial Status. As of the Latest Practicable Date, the Phase Ib study was ongoing.

Licenses, Rights and Obligations

As XTR021 is self-discovered and developed by us, we maintain the exclusive global rights to develop, manufacture and commercialize XTR021.

Material Communications with Competent Authorities

We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR021 SUCCESSFULLY.

XTR012 – Radiotherapy Based on ^{223}Ra

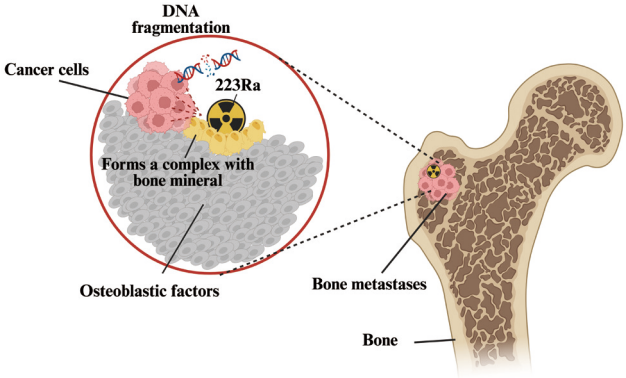
XTR012 is a registrational-stage ^{223}Ra radiopharmaceutical for the treatment of bone metastases from advanced prostate cancer in the first-line and latter lines settings. It is a generic version of Xofigo® (radium-223 dichloride). Using the radioactive isotope ^{223}Ra, which mimics calcium, XTR012 selectively targets bone metastases, particularly in areas with increased bone turnover, by binding to the bone mineral hydroxyapatite. The alpha particles emitted by ^{223}Ra cause localized DNA damage in tumor cells, effectively killing them while minimizing damage to surrounding healthy tissue. XTR012 surpasses conventional treatments like bisphosphonates and denosumab by combining tumor-specific targeting, the potent cytotoxicity of alpha particles, and simultaneous eradication of metastases and preservation of bone integrity. Clinical data indicated that XTR012 can improve survival and alleviate symptoms in patients with CRPC bone metastases, making it a promising treatment option with potential to significantly enhance quality of life for these patients. Given that the reference product, Xofigo®, has already been approved for marketing in China and has been included in the Catalogue of Reference Preparations for Chemical Generic Drugs (Batch 65) (《化學仿製藥參比製劑目錄(第六十五批)》) by the NMPA on March 14, 2023, we submitted the ANDA to the NMPA in February 2025 in accordance with the Requirements for Registration Classification and Application Dossiers of Chemical Drugs (《化學藥品註冊分類及申報資料要求》), and expect to obtain the marketing approval in November 2026. We have timely submitted the required documents. The review process proceeded over the applicable regulatory review period and remained within the regulatory review timeline. According to CIC, the ANDA approval timeline is consistent with the industry norm.

Currently, the ANDA review is proceeding in accordance with the regulatory review timeline. The regulatory review of XTR012 follows routine regulatory procedures and information requests. We have completed and submitted the supplementary materials in accordance with the CDE's standard requirements. The application is currently at the review stage for quality standard documentation, including the quality standards, manufacturing process information sheet and package insert, and the regulatory review is nearing completion.

Mechanism of Action

XTR012 is a targeted alpha-emitting radiopharmaceutical used for the treatment of CRPC patients with symptomatic bone metastases and no evidence of visceral metastatic disease. The radioactive isotope of XTR012 is radium-223 (^{223}Ra), a calcium mimic. Once administered intravenously, ^{223}Ra selectively

targets bone metastases, particularly in areas with increased bone turnover, such as metastatic bone lesions. It binds to the bone mineral hydroxyapatite, forming complexes at sites of bone metastasis. ^{223}Ra emits highly localized alpha particles with a short path length of less than 100 μm (less than 10 cell diameters), yet sufficient to cause damage to neighboring tumor cells. The alpha radiation generated by ^{223}Ra results in high linear energy transfer (80 KeV/m), causing double-strand DNA breaks in nearby tumor cells and inducing their death. Due to its short-range radiation, ^{223}Ra's effects are highly localized to the bone metastasis sites, minimizing damage to surrounding healthy tissue and reducing off-target toxicity. This targeted action delivers effective anti-tumor effects in bone metastases, alleviating symptoms, delaying disease progression, and improving overall survival for patients with prostate cancer that has spread to the bones.



Source: Company data

Market Opportunities and Competition

As a common malignancy among middle-aged men, the incidence of prostate cancer reached 1.4 million in 2020 and increased to 1.6 million in 2025, with a CAGR of 2.0%. The number is expected to further grow to 2.1 million in 2036, with a CAGR of 2.6% from 2025 to 2036. In China, the incidence of prostate cancer rose from 112,100 in 2020 to 171,300 in 2025, representing a CAGR of 8.8%. It is projected to further increase to 325,100 in 2036, with a CAGR of 6.0% from 2025 to 2036. In China, approximately 54% of prostate cancer patients are diagnosed with mHSPC at the time of initial diagnosis, with nearly all prostate cancer patients progressing to mCRPC after 18 to 24 months of endocrine therapy. Although the standard of care for prostate cancer varies by stage and disease progression, for bone metastasis from mCRPC, ^{223}Ra radiotherapy is recommended across all treatment lines.

Competitive Advantages

XTR012 offers targeted, dual-action therapy that provides effective tumor cell killing while preserving bone structure. Its ability to improve survival and quality of life in patients with symptomatic bone metastasis, especially in early-stage disease, makes it a promising treatment option for CRPC.

Although the primary treatments for bone metastases include bisphosphonates and denosumab, XTR012 offers several advantages over these drugs:

1. ***Targeted Therapy***. XTR012 mimics calcium ions, binding to hydroxyapatite in bones and accumulating precisely in the active regions of bone metastases. This "pathological bone-targeting" effect ensures minimal damage to healthy tissues.

2. ***Alpha Particle Advantage***. XTR012 emits high-energy alpha particles that cause lethal damage to tumor cells while minimizing radiation-induced damage to surrounding tissues.

3. ***Dual Treatment Effects.*** In addition to directly killing tumor cells, XTR012 also inhibits the abnormally active osteoblasts and osteoclasts in bone metastasis regions, protecting bone structure and reducing the risk of pathological bone growth and complications.

4. ***Improved Survival and Symptom Relief***. Data from the BC1-06 clinical study, a Phase III clinical trial of Xofigo® in men with CRPC and bone metastases, show that the Xofigo® group had a median overall survival of 14.9 months compared to 11.3 months in the placebo group ($P < 0.01$). Additionally, secondary endpoints such as alkaline phosphatase, prostate-specific antigen, skeletal-related events, and quality of life were significantly better in the Xofigo® group. This indicates that XTR012, a generic version of Xofigo® can not only prolong survival but also significantly relieve bone pain and improve quality of life in patients with symptomatic bone metastasis from CRPC.

Licenses, Rights and Obligations

We have global rights to develop, manufacture and commercialize XTR012.

Material Communications with Competent Authorities

XTR012, as a generic version of Xofigo®, is not required by the NMPA to conduct clinical trials to investigate the safety and efficacy according to communications with the NMPA. Based on the approval of Xofigo® in China as well as the data demonstrating that XTR012 has the same quality as Xofigo®, we submitted the ANDA of XTR012 for the treatment of bone metastases from prostate cancer to the NMPA in February 2025. We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

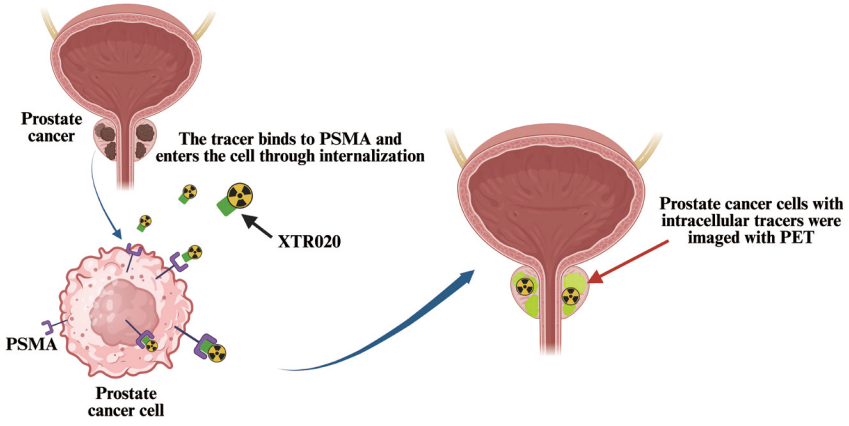
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR012 SUCCESSFULLY.

XTR020 – ^{18}F-labeled PSMA-targeted PET Tracer

XTR020 (Flotufolastat (^{18}F) injection) is a PSMA-targeted PET radioligand for the diagnosis of prostate cancer. PSMA is highly expressed on prostate cancer cells, making it an ideal target for imaging, especially in metastatic and castration-resistant disease. XTR020 binds selectively to PSMA-expressing cells, enabling highly sensitive detection of both primary and metastatic lesions via PET scanning, and outperforming conventional imaging. Due to the longer half-life of ^{18}F compared to ^{68}Ga, XTR020 can be used directly in nuclear medicine departments without the need for re-labeling, making it simpler and more convenient to use while offering potential clinical advantages. With no approved domestically developed PSMA-targeted PET tracers in China, XTR020 addresses a significant clinical need, and its approval in the U.S. positions it for rapid entry into the Chinese market, providing a cost-effective and efficient diagnostic solution. We received the IND approval from the NMPA in September 2024, initiated a registrational Phase III clinical trial of XTR020 for the diagnostic imaging and staging of prostate cancer in China in March 2025, completed patient enrollment and dosing of all subjects in the Phase III clinical study in September 2025, and the trial reached its primary endpoint in January 2026. We submitted the ANDA to the NMPA in March 2026 and expect to receive the approval in the fourth quarter of 2027 with the overall statutory process requiring at least approximately 427 business days. XTR020 is currently progressing through the regulatory review process in accordance with the applicable procedures and timelines, and we expect to complete the remaining registration inspection and testing, technical review, any required supplemental submissions and review, verification of approval document attachments and administrative approval before obtaining the final approval certificate.

Mechanism of Action

PSMA is significantly overexpressed on the surface of most prostate cancer cells, especially in metastatic and castration-resistant disease. This overexpression makes PSMA an ideal molecular target for diagnostic imaging. XTR020 is a ^{18}F-labeled PSMA-targeted PET tracer. After intravenous administration, it circulates through the body and binds specifically to PSMA-expressing cells in the prostate tumor and its metastases. XTR020 emits beta positrons, which are captured by PET imaging, producing highly sensitive and specific images of tumor location and extent. Compared to the conventional diagnostic method, such as CT or MRI, PSMA PET provides superior accuracy in defining lesion boundaries, nodal involvement, and disease staging, thus guiding more appropriate treatment decisions.



Source: Company data

Market Opportunities and Competition

For clinical diagnosis, one or more approaches can be used to determine the disease stage and invasiveness. Digital rectal examination remains a valuable early diagnostic tool, despite its limitations in detecting non-palpable tumors. MRI has become one of the primary methods due to its effectiveness in tumor detection, staging, and guiding biopsies. PET-CT, particularly radionuclide-labeled PSMA-targeted PET tracer in combination with CT, offers superior diagnostic accuracy by targeting the PSMA protein highly expressed in prostate cancer cells, outperforming conventional imaging modalities ("**CIMs**") such as CT, MRI and ultrasound. Biopsy remains essential for diagnosis, although systematic transrectal or transperineal prostate biopsy may lead to false negatives or overdiagnosis.

PSMA-targeting ligands, such as antibodies or small molecules labeled with radionuclide tracers, facilitate precise visualization via PET imaging. When combined PSMA-targeted PET tracers with CT, PET-CT demonstrates high sensitivity and specificity in the detection and staging of prostate cancer, because this approach combines the molecular capabilities of PET with the morphologic features of CT, offering advantages over CIMs for diagnosing and monitoring various cancers, including prostate cancer.

^{18}F-Flotufolastat injection, developed by BED, was approved by the FDA and launched in the U.S. in 2023. We have in-licensed the exclusive patent rights controlled by BED for the development, manufacture, and commercialization of ^{18}F-Flotufolastat, also known as XTR020, as a radiopharmaceutical product for diagnostic imaging and staging of prostate cancer in Chinese Mainland. As of the Latest Practicable Date, ^{68}Ga-PSMA-11 by Novartis had been approved by the NMPA. More than ten PSMA-targeted PET tracers were under clinical development for the diagnosis of prostate cancer in the country. Among them, XTR020, along with two other candidates, had submitted marketing approval applications to the NMPA, while three other candidates were in the registrational Phase III clinical stage. For details regarding the competitive landscape of PSMA-targeted PET tracer, see "Industry Overview – Major Indications – Prostate Cancer – Diagnosis of Prostate Cancer."

Competitive Advantages

Strong International Clinical Evidence

^{18}F-Flotufolastat (or XTR020) has demonstrated clinical performance in two pivotal Phase III clinical trials conducted by BED in the U.S.: the LIGHTHOUSE and the SPOTLIGHT studies.

The LIGHTHOUSE study enrolled 356 patients with intermediate- to high-risk prostate cancer who were scheduled for radical prostatectomy and pelvic lymph node dissection. Of these, 296 patients underwent surgery and had sufficient histopathological data to assess lymph node metastases. The specificity of ^{18}F-Flotufolastat ranged from 92.9% to 96.9%, which supports its clinical utility in high-risk patients. Moreover, XTR020 showed value in identifying lesions missed by conventional imaging, potentially altering treatment strategies.

The SPOTLIGHT study was a multicenter, single-arm trial involving 389 patients with suspected biochemical recurrence of prostate cancer based on rising PSA levels. PSMA PET imaging was used to detect potential lesions, with the standard of truth based on histopathology and imaging. The correct detection rate across three independent readers ranged from 48.3% to 50.9%, while the positive predictive value ranged from 46.2% to 60.3%. The results confirmed XTR020's high accuracy in detecting recurrent lesions, providing valuable information for treatment decisions, especially when recurrence occurs in the prostate or prostate bed, which may be amenable to curative therapy.

Clinical Advantages and Significant Medical Needs

Prostate cancer is one of the most common malignancies in men. Early and accurate diagnosis, particularly for micro-metastatic or recurrent lesions, is crucial for improving outcomes. Conventional imaging methods such as CT or MRI, are often inadequate in detecting early or small lesions. PSMA, highly expressed on prostate cancer cells, serves as an ideal molecular target for PET imaging.

XTR020, by targeting PSMA, delivers high lesion detectability and specificity. According to the results from the SPOTLIGHT study and the LIGHTHOUSE study, for recurrent patients, XTR020 can improve correct detection rates from approximately 20% with conventional imaging to approximately 60%. For newly diagnosed patients, it provides >90% specificity in identifying pelvic lymph node metastases. As such, XTR020 may potentially be used in the future to support decision-making across the entire care continuum – initial diagnosis, staging, treatment monitoring, and recurrence assessment – enabling more personalized and effective management.

Additionally, as a ^{18}F-labeled agent with a longer shelf life than ^{68}Ga-labeled alternatives, XTR020 is logistically more convenient, allowing broader regional distribution and more efficient clinical workflows.

Favorable Competitive Landscape and Market Potential

As of the Latest Practicable Date, there were no approved domestically developed PSMA-targeted PET tracers in China, despite clear and urgent clinical demand. Given ^{18}F-Flotufolastat's FDA approval and validated safety and efficacy in clinical trials, only a bridging study is required to confirm XTR020's safety and diagnostic efficacy in Chinese patients. This shortens the clinical development timeline, accelerating its availability and helping to address the significant need in prostate cancer diagnosis in China.

Furthermore, as a locally produced product, XTR020 avoids the high costs associated with importing PSMA agents. This cost advantage, combined with scalable manufacturing, enhances its commercial viability and affordability, supporting widespread clinical adoption. Therefore, we believe XTR020 is well-positioned to be a first-mover, with potential to rapidly capture market share by offering superior diagnostic performance and operational convenience.

Summary of Clinical Trial

Phase III Clinical Trial of XTR020 for the Diagnosis of BCR Prostate Cancer

Trial Design. This is an open-label Phase III clinical trial designed to evaluate the diagnostic efficacy and safety of XTR020 in subjects with biochemically recurrent ("**BCR**") prostate cancer following prior treatment. The trial was solely sponsored and independently conducted by us in China. A total of 121 patients were enrolled in this trial. Enrolled subjects received a single intravenous bolus injection of XTR020 at a single dose of 8.0 mCi (296 MBq) ± 20%, followed by a PET-CT scan. Three central readers, blinded to clinical information, independently interpreted each scan by region to identify the presence and location of lesions considered positive for prostate cancer. XTR020 treatment group interpretations was compared to a standard of truth ("**SoT**"), based on either histopathology or other imaging modalities (CT, MRI, or ^{99m}Tc bone scan) obtained within 90 days of the scan, using a lesion-to-lesion co-localization method and a separate consensus panel.

The primary endpoint of this study was the correct detection rate ("**CDR**") of XTR020 at the individual level. Secondary endpoints included: (1) Positive predictive value ("**PPV**") of XTR020 at the individual level; (2) PPV and CDR of XTR020 in specific anatomical regions, including the prostate bed, pelvic lymph nodes, and three additional regions; (3) PPV and CDR at the individual level in subjects with negative baseline conventional imaging; (4) PPV and CDR of XTR020 across different PSA levels; (5) Inter-and intra-reader agreement (kappa values) among independent, blinded readers interpreting the same XTR020 at different time points; and (6) the type, severity, frequency, and outcomes of AEs and SAEs reported throughout the study.

Trial Status. We obtained IND approval from the NMPA for conducting clinical trials of XTR020 for the diagnostic imaging and staging of PSMA-positive lesions in men with suspected recurrence based on elevated serum PSA levels in September 2024, and initiated the trial in March 2025. As of the Latest Practicable Date, we completed patient enrollment and dosing of all subjects of this trial, and the trial reached its primary endpoint in January 2026.

Licenses, Rights and Obligations

Starting in August 2023, we entered into a series of agreements (the "**XTR020 Agreements**") with BED to in-license the exclusive patent rights controlled by BED for the development, manufacture, and commercialization of ^{18}F-Flotufolastat, also known as XTR020, as a radiopharmaceutical product for diagnostic imaging and staging of prostate cancer in Chinese Mainland. We in-licensed XTR020 while it was in preclinical stage in China. Leveraging the clinical data collected from international clinical trials of ^{18}F-Flotufolastat, as of the Latest Practicable Date, we independently sponsored and completed a Phase III clinical trial of XTR020 for the diagnosis of prostate cancer in China.

Material Communications with Competent Authorities

Based on our communications with the NMPA, we secured IND approval from the NMPA to conduct Phase III clinical trials of XTR020 for the diagnosis of prostate cancer in September 2024. The trial design incorporates pharmacokinetics and radiation dosimetry studies. Phase II clinical trials are not required to be conducted, as XTR020 is a generic version of Posluma (i.e. ^{18}F-Flotufolastat). We had not received any relevant regulatory agency's objections to our clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET XTR020 SUCCESSFULLY.

Other Product Candidates in Development

In addition to our above mentioned clinical-stage product candidates, we are also advancing a pipeline of assets in different development stages:

XTR022 is a ^{225}Ac-labeled PSMA-targeted therapeutic radioligand for mCRPC treatment. Designed as a ^{225}Ac-labeled version of XTR021, XTR022 utilizes the same targeting ligand as XTR021, with the radionuclide ^{177}Lu replaced by ^{225}Ac. Leveraging the targeting ligand's excellent PSMA-targeting capability, tumor uptake, and retention properties, along with the higher-energy α-particles emitted by ^{225}Ac, XTR022 has the potential to treat prostate cancer patients who have failed treatment with ^{177}Lu-PSMA therapies, including XTR010. These patients have typically undergone multiple lines of therapy and are characterized by high tumor heterogeneity and poor treatment tolerance. With its high inhibitory activity, efficient cellular internalization, favorable linear energy transfer, and favorable safety profile, XTR022 is well positioned as a potential treatment option for this patient population. In addition, by utilizing a more potent α-emitting radionuclide ^{225}Ac, XTR022 is expected to deliver enhanced overall therapeutic efficacy. Currently, XTR022 is undergoing an IIT in China. The IIT is an open-label, single-arm, dose-escalation and dose-expansion study conducted at a top-tier tertiary hospital in China to explore the preliminary efficacy and safety profile of XTR022, determine its development potential and identify an effective dose range before CMC readiness. The primary endpoints include the incidence of TEAEs and DLTs, while the secondary endpoints include PSA50 response, rPFS, ORR, DOR and DCR. The IIT is not intended to replace any phase of an NMPA-registered clinical trial, but rather to generate exploratory data and provide guidance for the design of future registrational clinical trials. We assisted the investigators in protocol design, quality control, investigational product management, statistical analysis and study report preparation, and also provided financial support as well as the therapeutic radionuclides and precursors used in the study.

XTR025 is a ^{177}Lu-labeled radiotherapeutic drug developed for the treatment of glioblastoma. XTR025 is a therapeutic radioligand with a novel mechanism of action, independently identified and developed by us. It targets a specific protein that is highly expressed in GBM. Preclinical studies have shown that XTR025 exhibited high affinity for its target and was efficiently internalized by tumor cells, enabling the ^{177}Lu radionuclide it carries to effectively kill tumor cells. It has demonstrated significant tumor-inhibitory effects in multiple animal models. As of the Latest Practicable Date, XTR025 was undergoing IITs in China. One IIT is a PET imaging study conducted at a top-tier tertiary hospital in China to validate the targeting performance and diagnostic efficacy of XTR025. The primary endpoint is the incidence of AEs, while the secondary endpoints include diagnostic performance and biodistribution. The other IIT is an open-label, single-arm, multicenter study conducted at top-tier tertiary hospitals in China, to explore the preliminary efficacy, safety profile and dosimetry of topical administration and to assess the development potential of the investigational product. The primary endpoints focus on safety and dosimetry following topical administration, while the secondary endpoint is preliminary efficacy. Both IITs are not intended to replace any phase of an NMPA-registered clinical trial, but rather to generate exploratory data and provide guidance for the design of future registrational clinical trials. We assisted the investigators in protocol design, quality control, investigational product management, statistical analysis and study report preparation, and also provided financial support as well as the therapeutic radionuclides and precursors used in the studies.

XTR024 is the ^{225}Ac-labeled SSTR-targeted therapeutic radioligand for the treatment of G1 or G2 NETs who have failed ^{177}Lu-SSTR treatment or are ^{177}Lu-SSTR treatment naïve. XTR024 is a ^{225}Ac-labeled version of XTR008, both of which use DOTATATE as the precursor. In XTR024, the β-emitting radionuclide ^{177}Lu is replaced with the higher-energy alpha-emitting radionuclide ^{225}Ac. It has the potential to treat various SSTR-positive tumors, including NETs that have progressed following ^{177}Lu-DOTATATE therapy. XTR008 and XTR024 are intended for cancer patients at different treatment lines. β-emitting radionuclides (e.g., ^{177}Lu) have a relatively long tissue penetration range and more diffuse energy deposition, making them well suited for the treatment of diffuse lesions with a high tumor burden. In contrast, α-emitting radionuclides (e.g., ^{225}Ac) exhibit a much shorter tissue penetration range and highly concentrated cytotoxic effects, making them particularly suitable for the treatment of relapsed/refractory or metastatic tumors. Patients with GEP-NETs who have experienced disease progression following treatment with ^{177}Lu-DOTATATE, including XTR008 or other ^{177}Lu-DOTATATE therapies, may potentially benefit from XTR024. Accordingly, XTR024 is being developed for a later-line treatment population with limited therapeutic options. As of the Latest Practicable Date, XTR024 was undergoing IITs in China. One IIT is an open-label, single-arm, dose-escalation and dose-expansion study conducted at a top-tier tertiary hospital in China to optimize the dose between 90 and 120 kBq/kg and explore the preliminary efficacy and safety profile of XTR024 across different NET populations. The study is intended to establish proof of concept in the target population and confirm an effective dose for further development. The other IIT is an open-label, single-arm, dose-escalation and dose-expansion study conducted at a top-tier tertiary hospital in China to evaluate the preliminary efficacy and safety profile of XTR024, determine its development potential and explore an effective dose range. In the dose-

escalation stage, the primary endpoints include AEs, DLTs, MTD and RP2D, with ORR, DCR, PFS and OS as secondary endpoints; in the dose-expansion stage, the primary endpoint is PFS, with ORR, DCR and AEs as secondary endpoints. Both IITs are not intended to replace any phase of an NMPA-registered clinical trial, but rather to generate exploratory data and provide guidance for the design of future registrational clinical trials. We assisted the investigators in protocol design, quality control, investigational product management, statistical analysis and study report preparation, and also provided financial support as well as the therapeutic radionuclides and precursors used in the studies.

In addition to our oncology product candidates, we were developing a PET tracer, ^{18}F-FDG injection, a non-pipeline product, for the following diagnostic applications: (1) evaluating abnormalities in glucose metabolism to assess tumor malignancy; (2) assessing myocardial viability in patients with left ventricular dysfunction when used in combination with MPI; and (3) identifying areas of abnormal glucose metabolism associated with epileptic foci. This initiative is intended to support our financial sustainability. As of the Latest Practicable Date, we had received the approval of the ANDA from the NMPA.

MARKETED PRODUCTS

XTR005, marketed under the tradename 歐韋寧®, is an Aβ-targeted PET tracer designed to measure Aβ plaque levels in the brains of adult patients via PET imaging, aiding in the assessment of AD and other causes of cognitive decline. While XTR006 enables precise staging of AD, XTR005 focuses on the diagnosis of AD and the selection of patients for AD therapies. Together, they create a synergistic effect in the diagnosis and management of AD. As of 2025, China had approximately 52.6 million patients with MCI and 18.9 million with ADOD, representing a significant public health burden. While diagnostic methods for AD continue to advance, early and accurate diagnosis remains a major challenge. Current techniques often fail to detect Aβ pathology effectively, limiting the potential for targeted and timely treatment. To address this significant need, we entered into an agreement with Life Molecular Imaging Ltd. (Lantheus Biosciences Ltd., following its acquisition by Lantheus Holdings) to in-license exclusive patent rights controlled by it for the development, manufacture, and commercialization of XTR005 as a diagnostic radioligand for neurodegenerative diseases in Chinese Mainland. Bridging clinical trials sponsored and conducted by us in China have demonstrated that XTR005 can qualitatively and quantitatively detect Aβ plaque pathology in Chinese AD patients, with strong efficacy and safety profiles. These results supported its promise for early and accurate AD diagnosis. In September 2023, XTR005 received NDA approval from the NMPA for AD diagnosis. The long wait period between NDA approval in 2023 and the commercialization in 2025 primarily stemmed from regulatory issues associated with issuance of the B-license radiopharmaceutical MAH in China to engage CMOs for the manufacture of XTR005. As we are the first B-license radiopharmaceutical MAH in China, the NMPA required additional time to review and address the associated regulatory considerations. As the first Aβ-targeted PET tracer approved in China, XTR005 is poised to become a valuable tool for patient screening and for evaluating the effectiveness of Aβ-targeted therapies.

Adenosine injection, marketed under the tradename 歐達樂®, is a non-pipeline product approved in China for two indications: (1) as a pharmacologic stress agent used as an adjunct in myocardial perfusion imaging, and (2) for pharmacologic stress echocardiography to aid in the diagnosis of CAD. Adenosine is a purine nucleoside naturally present in all cells, acting as a neuromodulator and playing a critical role in physiological processes such as energy metabolism and neuronal activity. It is a potent vasodilator, primarily exerting its effects through stimulation of A2 receptors on vascular smooth muscle, leading to vasodilation and regulation of blood flow – especially during periods of increased metabolic demand, such as physical exertion or tissue hypoxia. Adenosine is widely recognized as a key agent for pharmacologic stress testing in patients with suspected or known CAD who are unable to undergo traditional exercise stress tests. In China, a prolonged shortage of adenosine had significantly limited the advancement of nuclear cardiology. To address this significant need, we launched adenosine injection in 2023 following marketing approval from the NMPA in January 2023, to support nuclear stress testing utilizing nuclear imaging, echocardiography, and MRI. As of the Latest Practicable Date, our adenosine injection remained the only stress agent in China approved for two indications, providing a new non-invasive option for assessing myocardial ischemia in patients with CAD.

NON-PIPELINE PRODUCTS

In addition to our current pipeline products and marketed products, we have historically developed several programs that are currently suspended or discontinued due to strategic prioritization. These programs include: XTR016 and XTR017. XTR016 is a ^{64}Cu-labeled diagnostic radioligand targeting FAP for FAP-positive advanced solid tumors. XTR017 is a ^{177}Lu-labeled FAP-targeted therapeutic radioligand for the treatment of FAP-positive advanced solid tumors. We have obtained IND approvals from the NMPA for conducting clinical trials of these candidates.

SUMMARY OF RADIONUCLIDES

Our radiopharmaceuticals utilize various radionuclides with distinct properties. A summary of these is provided below:

Radionuclide	Novelty/ Popularity	Emission Type	Peak Emission Energy	Supply Availability	Primary Applications	Advantages	Limitations	Half-life	Price (Reference)
F-18	Validated (widely used)	β^+ (positron)	511 (annihilation radiation)	High (cyclotron production)	PET imaging (e.g. FDG)	High-resolution imaging, clinically established	Short half-life (requires local production)	109.8 minutes	~US$2.00–3.00/mCi
Cu-64	Validated (clinical adoption)	β^+ (positron), β^-, γ	511 (β^+), 578 (β^-)	Medium (requires dedicated cyclotron)	PET imaging, targeted therapy	Theranostic potential	Limited supply, higher cost	12.7 hours	~US$200.00–700.00/mCi
Lu-177	Validated (clinical adoption)	β^-, γ	497 (β^-), 208 (γ)	High (reactor production)	Targeted radiotherapy (e.g. PRRT)	Balanced penetration depth, γ-imaging capability	Requires chelating agents	6.65 days	~US$10.00–20.00/mCi
Ra-223	Validated (commercialized)	α	5–7 MeV (α particles)	Medium (^{227}Th generator-dependent)	Bone metastasis treatment (e.g. prostate cancer)	High efficacy, low bone marrow toxicity	Bone-targeting only, complex production	11.4 days	~US$5,000.00–9,500.00/mCi
Ac-225	Emerging (clinical trials)	α, β^-	5–8 MeV (α particles)	Low (reactor/ accelerator-dependent)	Targeted alpha therapy	Ultra-high cytotoxicity, precision treatment	Supply scarcity, extremely expensive	9.92 days	~US$20,000.00–30,000.00/mCi

Source: Company data

According to CIC, publicly available information showed that the supply of carrier-free/no-carrier-added (n.c.a.) ^{177}Lu in China has transitioned from heavy reliance on imports to a stage of large-scale domestic production. In addition to INPC, there are several other suppliers of carrier-free ^{177}Lu in China and abroad. For example, Chengdu Gaotong Isotope Co., Ltd. has established a production line with an annual capacity at the scale of tens of thousands of curies of carrier-free ^{177}Lu, while the commercial reactors at Qinshan Nuclear Power Plant have an annual irradiation capacity for ^{177}Lu exceeding tens of thousands of curies, which has been described by official media as being sufficient to fully meet domestic market demand. SHINE Technologies has entered the Chinese market through C-Ray, and international suppliers such as ITM Isotope Technologies Munich and Eckert & Ziegler further contribute to a diversified and multi-source supply landscape for ^{177}Lu in China.

Historically, we have procured carrier-free ^{177}Lu from five suppliers, including Supplier B. For more information of Supplier B, see "– Suppliers" in this section for further details. Since we are not obligated to procure ^{177}Lu exclusively from INPC, we are capable to adjust our procurement plan for carrier-free ^{177}Lu in the event of any disruption to INPC's supply. During the Track Record Period, we sourced radionuclides from multiple suppliers, with Supplier B serving as our largest supplier by volume, followed by INPC. We also procured radionuclides from other suppliers to supplement our supply needs. The diversified supplier base supported our clinical development activities and reduced reliance on any single supplier.

Suppliers of ^{177}Lu and Amounts Procured for Our Pipeline Products during the Track Record Period[(1)]

Supplier	2024 Quantity	2024 Purchase value	2025 Quantity	2025 Purchase value	6M 2026 Quantity	6M 2026 Purchase value	Total Quantity	Total Purchase value
	(mCi)	*(RMB)*	*(mCi)*	*(RMB)*	*(mCi)*	*(RMB)*	*(mCi)*	*(RMB)*
Supplier B	87,070.00	7,692,727.00	41,150.55	3,343,556.00	38,550.00	2,848,764.00	166,770.55	13,885,047.00
INPC	43,221.00	2,545,422.00	15,870.00	1,019,082.00	18,490.00	1,309,027.00	77,581.00	4,873,531.00
Other suppliers[(2)]	–	–	32,410.00	3,076,134.00	22,900.00	2,316,506.00	55,310.00	5,392,640.00
Total	130,291.00	10,238,149.00	89,430.55	7,438,772.00	79,940.00	6,474,297.00	299,661.55	24,151,218.00

Notes:

(1) During the Track Record Period, radionuclide procurement unit prices were affected by factors including changes in market competition among radionuclide suppliers, transportation costs of domestic and overseas suppliers, exchange rates and tariffs. However, unit prices among the various suppliers have now generally converged and become comparable.

(2) Due to the persistently high unit prices of imported radionuclides from international suppliers other than Supplier B, the unit prices offered by other international suppliers remain relatively high. However, unit prices of carrier-free ^{177}Lu offered by local suppliers in Sichuan Province have generally converged with, and are comparable to, those offered by INPC and Supplier B.

Source: Company data

We have contemplated and are able to implement contingency measures in the event of any operational disruption, delay or downtime at INPC's facility for XTR008's production. Taking into account the relatively short half-life of ^{177}Lu, we consider the geographic location, transportation arrangements and lead time of alternative suppliers when formulating our procurement and contingency plans. Currently, INPC is the sole supplier of ^{177}Lu for the production of XTR008. However, we have previously procured carrier-free ^{177}Lu from alternative qualified local suppliers in Sichuan Province and therefore have experience with the relevant procurement and logistical arrangements. We maintain stable and sustainable business relationships with these local suppliers and are not dependent on INPC, whether measured by procurement volume or procurement amount.

Following NDA approval of XTR008 for the treatment of SSTR-positive G1 or G2 GEP-NETs, we may, upon completion of the applicable regulatory procedures, add additional ^{177}Lu suppliers. We have provided the two alternative local suppliers from which we procured to our International Sanctions Legal Advisor for their review, and they confirmed that they were not sanctioned by the relevant authorities in the United States, the European Union, the United Nations, the United Kingdom Overseas Territories, Australia and Japan. We have maintained internal control policy to screen new suppliers as part of our supplier on-boarding process to ensure that they are not Sanctioned Person before we make a formal procurement. In the case that we cannot locate suppliers that are not Sanctioned Person for equivalent products, we will consult with external legal counsel on the legality before proceeding with the procurement. Based on our historical procurement experience with such alternative suppliers, the procurement prices offered are generally determined on a tiered basis according to each order volume and are generally comparable with those offered by INPC. Accordingly, we consider that the procurement costs and logistical arrangements associated with alternative sources are manageable and do not present any material impediment to the implementation of our contingency plan clinical development plan, operations or financial performance.

OUR R&D PLATFORMS

We are dedicated to the research and development of radiopharmaceuticals, encompassing both diagnostic and therapeutic applications, to drive innovation and long-term growth. A key barrier to entry in this field is the highly specialized infrastructure and technical expertise required for R&D and manufacturing. To address this, we have established a central laboratory and two drug discovery centers equipped with state-of-art equipment and instruments as well as GMP-standard manufacturing facilities, positioning us at the forefront of radiopharmaceutical development in China. These facilities are designed to fully support clinical advancement and scalable commercialization. For details on our manufacturing capabilities, see "– Manufacturing." Furthermore, we have cultivated deep expertise, integrating multidisciplinary knowledge across radiopharmaceutical sciences, medicinal chemistry, molecular imaging, radiation physics, radiochemistry, nuclear medicine, and oncology.

Leveraging these advanced infrastructure and proprietary expertise, we have built one of the few independent and fully integrated R&D ecosystems for radiopharmaceutical in China. This ecosystem encompasses a range of specialized technology platforms designed to optimize the entire radiopharmaceutical development process, from compound discovery, radiochemistry optimization, isotope selection, and preclinical validation, to translational research. Additionally, our theranostics development platform leverages radiopharmaceutical pairs – one radiolabeled molecule for imaging and another for treatment – enabling personalized medicine through precise tumor targeting, real-time disease monitoring, and optimized therapeutic outcomes. By harnessing these technology platforms, we can systematically advance radiopharmaceutical candidates with the highest potential to deliver precision-targeted, clinically effective, and commercially scalable diagnostics and treatments for oncology and beyond.

Our technology platforms are summarized as follows:

Categories	Platforms
Radiopharmaceutical Discovery	Precursor Design and Optimization Platform
	Therapeutical Radioligand Screening Platform
Radiopharmaceutical Development	Medical Radioisotope Development Platform
	Radiochemistry Labeling Technology Platform
	Precursor Development Technology Platform
	Radiopharmaceutical Kit Development Technology Platform
	Quality Control and Analytical Technology Platform
	Imaging Platform – Preclinical Stage
Radiopharmaceutical Clinical Research	Pharmacology Analysis Platform
	Radiation Dosimetry Platform
	Imaging Platform – Clinical Stage
	Translational Medicine Platform
Theranostics	Theranostics Development Platform

Source: Company data

Our strong technical expertise in radiopharmaceutical R&D, spanning laboratory infrastructure, specialized technologies, and clinical development, has been widely recognized across the industry. For example, we collaborate with the INPC on multiple research projects. Furthermore, we actively contributed to the development of the Technical Guidelines for Clinical Evaluation of Radiotherapeutic Drugs. Below is an introduction to the highlights of our technology platforms.

- **Radiopharmaceutical Discovery.** Radiopharmaceuticals differ from conventional pharmaceuticals because they require the synthesis of a precursor (consisting of a targeting ligand with a linker and a chelator), which is then radiolabeled to produce the final product. Our precursor design and optimization platform focuses on enhancing druggability and clinical translation by integrating key parameters such as pharmacokinetics, physicochemical properties and tissue distribution into compound design and optimization. In addition, our therapeutical radioligand screening platform encompasses the identification and optimization of targeting ligands and linkers, *in vitro* activity screening, radiolabeling and *in vivo* efficacy validation.
- **Radiopharmaceutical Development.** Considering the unique nature of radiopharmaceuticals and the highly inter-disciplinary approach required for their development, we have established specialized technology platforms across all key stages of radiopharmaceutical development. In particular:
  - ***Medical Radioisotope Development Platform:*** Radionuclides are essential raw materials for radiopharmaceuticals. Their short half-lives require highly advanced technical capabilities in R&D and imposing significant logistical and operational challenges on the supply chain. With accumulated expertise in both reactor-based and cyclotron-based radionuclide production from both liquid and solid target materials, we leverage our medical radioisotope development platform to conduct comprehensive radionuclide process and quality study to produce high-purity radionuclides, while ensuring seamless regulatory integration.
  - ***Radiochemistry Labeling Technology Platform:*** Current radiochemical labeling techniques face challenges such as optimizing reaction efficiency, ensuring stability against radiolysis and maintaining product homogeneity. To address these challenges, our radiochemistry labeling technology platform integrates optimized labeling process parameters, tailored formulation screening (e.g., radical scavengers, buffer systems), and rigorous material selection to ensure stability and quality control even at high levels of radioactivity.

    In addition, due to their radioactive nature, radiopharmaceuticals require automated synthesis modules and must be manufactured at scale within shielded hot cells for radiation protection. Developing automated synthesis programs demands in-depth knowledge of reaction characteristics, functionality of infrastructure and software programming. Our radiochemistry labeling technology platform enables efficient programming of labeling processes across various automated synthesis modules, facilitating the development of diverse radioligands and significantly accelerating radiopharmaceutical research and production.
- **Radiopharmaceutical Clinical Research.** Radiopharmaceutical is characterized by its ability to be noninvasively visualized and quantified. Due to its unique emission property from radioactive decay, pharmacokinetic assessment of these agents differ fundamentally from those of conventional drugs. To address these challenges, we have established multiple dedicated radiopharmaceutical clinical research platforms.
  - ***Radiation Dosimetry Platform:*** Radiation dosimetry research is a fundamental aspect of radiopharmaceutical development, playing a crucial role in ensuring both efficacy and safety. We have built a dedicated radiation dosimetry research platform, which systematically evaluates the efficacy and safety of radiopharmaceuticals by analyzing their radioactive activity across different organs at multiple time points, providing a robust scientific foundation for dose selection.
  - ***Imaging Platform:*** To advance clinical trials for diagnostic radiopharmaceuticals and support imaging-based evaluations of therapeutic radiopharmaceuticals, we have established a comprehensive medical imaging platform. Designed in full compliance with GCP standards, this platform features robust image data management and QC processes to ensure accuracy and reliability.

- ***Translational Medicine Platform:*** Radiopharmaceuticals exert their pharmacological effects through two primary components: the precursor – used in microgram quantities with minimal safety concerns – and the radionuclide, which provides diagnostic or therapeutic functionality. Due to this unique mechanism of action, early-stage clinical development of radiopharmaceuticals, both in China and internationally, is largely driven by IITs conducted by qualified medical institutions.

  We have established a translational medicine platform for radiopharmaceuticals with proven capabilities in IIT design and execution and strategic partnerships with nuclear medicine departments at top-tier hospitals in China. This model accelerates the translation of PCCs into clinical validations by generating human data that directly supports IND submissions and refines clinical trial protocols.

- **Theranostics Development Platform.** The theranostic development platform integrates the development of diagnostic and therapeutic radioligands, achieving a seamless diagnosis-therapy continuum. Diagnostic radioligands serve as important tools in target validation, patient selection and monitoring treatment responses for therapeutic radioligands, enhancing our R&D efficiency. Built upon our theranostic development platform, we are developing a number of theranostic pairings, including XTR008/XTR015. Specifically, XTR015 is used to identify NET patients expressing SSTRs, followed by the administration of XTR008 for targeted therapy.

COLLABORATION ARRANGEMENTS

XTR008 Agreements

Starting in July 2019, we entered into a series of agreements (the "**XTR008 Collaboration Agreements**") with the INPC to develop XTR008, i.e. ^{177}Lu-DOTATATE injection. INPC is an Independent Third Party. Prior to 2024, the INPC was the only institution in Chinese Mainland with the capability to produce ^{177}Lu, according to CIC. We became acquainted with INPC due to our shared goal of exploring the application of radionuclides in the pharmaceutical field. We chose to collaborate with INPC primarily because of its capability to produce ^{177}Lu and its willingness to exclusively supply ^{177}Lu for the production of ^{177}Lu-DOTATATE, which we believed was a competitive advantage in our clinical development of XTR008. The XTR008 Collaboration Agreements did not provide for any joint steering committee arrangement or similar arrangements, neither does it include any shared responsibilities for the success of XTR008's clinical development. Directors believe, and the Joint Sponsors concur, that the Company's research and manufacturing did not rely on INPC and do not expect to rely on INPC in the future. For details regarding our historical R&D and manufacturing of XTR008, see "– Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand." For details regarding our future manufacturing plan for XTR008, see "– Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Supply Chain and Contingency Plan." For details regarding the historical and future supply of ^{177}Lu, see "– Summary of Radionuclides." The salient terms of the XTR008 Collaboration Agreements are summarized below:

Allocation of Responsibilities

We are obligated to research, develop, manufacture and supply dotatate, developing drug processes, conducting quality testing in accordance with NMPA review requirements, preparing IND application materials, and conducting clinical trials. We are also responsible for assisting INPC in preparing site facilities and conditions to be in compliance with GMP requirements. Furthermore, we are responsible for the sales and marketing of XTR008 in China. Upon obtaining marketing approval, we will be the sole MAH of XTR008. INPC shall assist us in submitting the relevant documents submitted to the NMPA.

INPC is responsible for the preparation of ^{177}Lu and performing contract manufacturing of clinical samples. INPC has guaranteed that during the term of the agreement, it would not provide ^{177}Lu to another party for the production of ^{177}Lu-DOTATATE (but does not restrict us from sourcing ^{177}Lu from other qualified third parties), and use research methods, processes, or results that infringe upon the intellectual property rights of any third party.

During the CMC development phase, on the one hand, under certificates including Radiation Safety Permit (《輻射安全許可證》) and Radiopharmaceutical Production License (《放射性藥品生產許可證》), INPC undertakes the production of ^{177}Lu, supplying such radionuclide to us for the R&D and manufacturing of XTR008. On the other hand, INPC provides facilities and necessary personnel to partially assist in the CMC experimental execution (i.e.manufacturing, analytical testing and quality inspection of XTR008) in compliance with GMP standards in strict accordance with the process protocols and quality specifications formulated by us. We led the development of radionuclide labeling processes

and the establishment of quality control standards, and led CMC studies design, validation strategy and execution oversight of XTR008, and served as the sole sponsor of clinical trials of XTR008 and the sole MAH of XTR008, During the regulatory filing phase, INPC assisted in the preparation of drug master file (i.e., a confidential document submitted to the regulatory authorities that provides detailed information about the manufacturing, processing, packaging, and storage of ^{177}Lu radionuclide) as a CRO/CDMO and a nuclides supplier. We were fully responsible for drafting, review and submission of IND/NDA materials, and communication with the NMPA.

Each party shall bear the costs incurred due to their respective research and development obligations.

Payments

After obtaining marketing approval for XTR008, we will pay INPC a royalty in the low-teen percentage of sales revenue for its intellectual property contribution, and a low-teen percentage of sales revenue for its manufacturing contribution. However, if the fair value price of ^{177}Lu exceeds the agreed price by 16%, we will, in addition to the two low-teen royalties, pay an agreed adjustment reflecting the increase in the fair value of ^{177}Lu. As of the Latest Practicable Date, no payment had been made by us.

Also, we will not be required to pay the low-teen percentage of sales revenue to the INPC for INPC's manufacturing contribution and for supplying ^{177}Lu if we choose not to procure ^{177}Lu from INPC and INPC is no longer engaged for drug product manufacturing and testing. However, we are still obligated to pay INPC a low-teen percentage of sales revenue for its intellectual property contribution.

Intellectual Property Arrangements

The intellectual property rights arising from the XTR008 Collaboration Agreements shall be co-owned by both parties. The scope of jointly owned intellectual property between the parties is limited to (1) the radionuclide labeling technology for XTR008, (2) the aseptic filling technology for XTR008, and (3) the drug quality standards and testing methods for XTR008. Pursuant to the XTR008 Collaboration Agreements, the Company and INPC co-owned six issued patents related to XTR008. As confirmed by the INPC, except for the six co-owned patents, there are no jointly owned intellectual property rights between the parties under the collaboration agreement in relation to XTR008, whether in the past, present or future. Furthermore, INPC shall not, in any manner, use the co-owned patent rights for any commercial purpose, dispose of, transfer or pledge such rights, create any other third-party rights or interests over such rights, or authorize any third party to use such rights. Nevertheless, these six co-owned patents are either defensive in nature, or relate to technical effects that can be achieved through alternative designs. Specifically, as confirmed by INPC, these patents all relate to technical solutions for radionuclide extraction, radiopharmaceutical container, and certain cooling equipment used during the manufacturing of XTR008. They do not involve the compound structure, formulation composition, manufacturing process, therapeutic indication or analytical methods of the ^{177}Lu-DOTATATE injection product or its excipients. Accordingly, we do not rely on these patents for the development, production or future commercialization of XTR008.

We will own all intellectual property rights independently developed by us in connection with XTR008 pursuant to the XTR008 Collaboration Agreements.

Term and Termination

The XTR008 Collaboration Agreements shall remain in effect for 20 years from its effective date, unless terminated earlier. As such, the XTR008 Collaboration Agreements shall be terminated in July 2039 unless the parties mutually agree to extend the term, and the royalty payments will terminate upon termination of the XTR008 Collaboration Agreements. Either party may terminate the XTR008 Collaboration Agreements in the event of an uncured material breach by the other party, or if the other party independently develops or collaborates with a third party to develop a ^{177}Lu-DOTATATE injection.

XTR004 Assignment Agreements

We initially in-licensed the exclusive global rights controlled by Dr. Fang Wei, a doctor at Fuwai Hospital, Chinese Academy of Medical Sciences who has never been an employee of us, and Beijing Normal University ("**XTR004 Assignors**") to research, develop, manufacture, and commercialize MyoZone[^{18}F] injection in 2017, while the product was in preclinical stage. Starting in February 2021, we entered into a series of agreements (the "**XTR004 Assignment Agreements**") with XTR004 Assignors to acquire the exclusive global patent rights controlled by the XTR004 Assignors to research, develop, manufacture, and commercialize MyoZone[^{18}F] injection, which corresponds to XTR004. Specifically, the

supplemental agreements entered into in March 2021 and February 2025 clarified the allocation of interests among the assignors and ensured our valid and complete title to the patent rights. In the supplemental agreement executed in February 2025, Beijing Normal University, together with the identified employee inventors, confirmed the validity of the 2017 licensing agreement and the XTR004 assignment agreements. The XTR004 Assignors are independent third parties. We became acquainted with them due to our shared goal of researching and developing radiopharmaceuticals. The XTR004 Assignment Agreements did not provide for any joint steering committee arrangement or similar arrangements, neither does it include any shared responsibilities for the success of XTR004's clinical development. The key terms of the XTR004 Assignment Agreements are summarized below:

Rights Transferred

Pursuant to the XTR004 Assignment Agreements, we acquired the exclusive global patent rights controlled by the XTR004 Assignors related to the compound, preparation process and use of MyoZone[^{18}F] injection.

Allocation of Responsibilities

We are obligated to pay the annual patent maintenance fee to the China National Intellectual Property Administration. The XTR004 Assignors are obligated to provide the research results of preclinical studies and assist in the preparation of the IND application.

Payments

We are obligated to pay an upfront payment of RMB1.0 million and milestone payments with an aggregate amount of RMB8.0 million in installments. As of the Latest Practicable Date, we have fully paid the first two milestone payments to the XTR004 Assignors, with the remaining milestone payments to be made in two installments: (1) within five business days after we submit the manufacturing application of MyoZone[^{18}F] injection to the NMPA, and (2) within five business days after we obtain the manufacturing approval of the product from the NMPA. As of the Latest Practicable Date, we had made RMB1.0 million upfront payment, and RMB3.0 million milestone payments in aggregation.

In addition, we have agreed to pay a high-single-digit royalty based on the annual sales revenue of MyoZone[^{18}F] injection upon receiving its marketing approval. The total royalty payment from us shall not exceed RMB32 million.

If the patent rights become subject to restrictions not attributable to us, we have the right to cease future payments. In the event of patent infringement disputes or other patent-related disputes that result in MyoZone[^{18}F] injection losing patent protection, which was not attributable to us, we have the right to cease future payments and reclaim previously transferred payments, as well as an agreed-upon liquidated damages payment.

Intellectual Property Arrangements

Pursuant to the XTR004 Assignment Agreements, we have the exclusive rights to research and modify technologies covered by the patent rights controlled by the XTR004 Assignors related to the preparation process of MyoZone[^{18}F] injection. Any resulting intellectual property rights shall be solely owned by us.

Term and Termination

The XTR004 Assignment Agreements shall remain in effect unless terminated earlier by mutual agreement of the parties or due to an unmitigable force majeure event lasting more than six months.

The IP Legal Adviser confirmed that following ratification by the actual rights holders, the transfer of the patent related to XTR004 is deemed valid *ab initio*. The IP Legal Adviser is of the view that we have held valid ownership of the transferred patent since November 23, 2017, and that the likelihood of any ownership dispute among the relevant parties is low, based on the documents and information provided to the IP Legal Adviser, including confirmations from Fuwai Hospital, Beijing Normal University and the relevant inventors, and the publicly available records of the CNIPA.

XTR006 Agreement

MK-6240 was originally discovered and developed by Merck. In 2016, Merck granted Cerveau certain field-based license rights to develop, manufacture, and commercialize MK-6240. On July 27, 2017, we entered into an agreement (the "**XTR006 Agreement**") with Cerveau to in-license the exclusive patent rights controlled by Cerveau to develop, manufacture, and commercialize MK-6240, also known as XTR006, as a radiopharmaceutical imaging agent in Chinese Mainland. On April 30, 2025, we entered into

a memorandum of understanding with Cerveau regarding the arrangement of the joint steering committee established under the XTR006 Agreement. At the time we in-licensed MK-6240, it was still in preclinical studies. Cerveau was an Independent Third Party as of the Latest Practicable Date. For the relationship between Cerveau and us, see "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals." The acquisition did not affect the terms of the XTR006 Agreement. The key terms of the XTR006 Agreement are summarized below:

License Granted

Cerveau has in-licensed certain field-based rights from Merck Sharp & Dohme Corp. to develop, manufacture, and use MK-6240 as a radiopharmaceutical imaging agent. Pursuant to the XTR006 Agreement, we have in-licensed from Cerveau the exclusive, revocable, non-transferable, and non-sublicensable (except to our affiliates) right and license under its licensed rights to develop, manufacture, and commercialize MK-6240 in Chinese Mainland.

Allocation of Responsibilities

We shall use commercially reasonable efforts to develop MK-6240 in Chinese Mainland according to an agreed clinical development plan. Proposed amendments to the plan shall be submitted to the joint steering committee for approval. We shall sponsor and conduct clinical studies to support the pursuit and maintenance of regulatory approval for MK-6240 in Chinese Mainland. Additionally, we shall be solely responsible for manufacturing and commercializing MK-6240 in compliance with the relevant rules and regulations in China.

Cerveau shall assist us in designing such clinical studies, support us in establishing the manufacturing of MK-6240 at a designated facility, and provide technical assistance throughout the term of the XTR006 Agreement for the manufacturing of MK-6240 in Chinese Mainland.

Joint Steering Committee

The joint steering committee shall oversee and coordinate communication regarding our performance under the XTR006 Agreement for the development, manufacturing, and commercialization of MK-6240 as a radiopharmaceutical imaging agent in Chinese Mainland. Cerveau and we shall each appoint three representatives to the joint steering committee. The three representatives from each side shall collectively cast one vote on behalf of their respective party. Decisions shall be made by consensus.

On April 30, 2025, the parties entered into a memorandum of understanding to ensure that we have control over the development, manufacture, and commercialization of MK-6240 in Chinese Mainland, even if a joint steering committee was established. According to the memorandum of understanding, if the committee is unable to reach a decision on a matter within its scope of authority, we shall have the right to make the final decision regarding the development, manufacture, and commercialization of XTR006 in Chinese Mainland, provided that Cerveau retains final decision-making authority over intellectual property relating to MK-6240 and intellectual property relating to the manufacturing of MK-6240.

Payments

We are obligated to pay an upfront payment of US$250,000, and milestone payments with an aggregate amount of US$1.75 million in installments. To the extent some of the milestone events have not been achieved, our previous loan to Cerveau has fully covered all upfront and milestone payments, totaling US$2.0 million. In addition, beginning with the first commercial sale of MK-6240, we shall pay two-tiered royalties to Cerveau on net sales, ranging from the low teens to the high teens. As of the Latest Practicable Date, we had fully settled the upfront payment and milestone payments of US$750,000.

Intellectual Property Arrangements

All rights to product improvements related to MK-6240, including its manufacture and use, shall be solely owned by Cerveau. However, each improvement will automatically be considered a licensed patent or licensed know-how and will be included within the license granted under the XTR006 Agreement without additional consideration. All rights to non-product improvements related to MK-6240 shall be determined based on inventorship. However, each party shall grant the other an exclusive license to use its improvements.

Term and Termination

The XTR006 Agreement shall remain in full force and effect unless terminated earlier or until (i) the expiration of the last patent licensed under the XTR006 Agreement or (ii) the approval of the first generic product, whichever is earlier. Either party may terminate the XTR006 Agreement in the event of the other party's uncured material breach or insolvency.

As of the Latest Practicable Date, the U.S. IP Legal Adviser performed an analysis of the chain of title in terms the rights from Merck to Cerveau to the Company. The U.S. IP Legal Adviser reviewed the relevant patent records, license agreements in a series of transactions, assignment documents and other supporting documentation, and believes there is a clear title chain that allows the Company to obtain the valid rights necessary to research, develop, manufacture and commercialize XTR006 in Chinese Mainland, subject to the terms and conditions of the relevant license agreements.

Based on the opinion issued by the U.S. IP Legal Adviser, we believe that the likelihood of Merck disputing the Company's rights to MK-6240 is low because the Company is a valid licensee, and the scope of the license rights granted by Cerveau to us falls within the scope of the license rights granted by Merck to Cerveau. In Chinese Mainland, we hold the exclusive rights to commercialize products incorporating the MK-6240 compound in the field of radiopharmaceutical imaging agents.

XTR020 In-license Agreements

Starting in August 2023, we entered into a series of agreements (the "**XTR020 Agreements**") with Blue Earth Diagnostics Limited ("**BED**") to in-license the exclusive patent rights controlled by BED for the development, manufacture, and commercialization of ^{18}F-Flotufolastat, also known as XTR020, as a radiopharmaceutical product for diagnostic imaging and staging of prostate cancer in Chinese Mainland. We in-licensed ^{18}F-Flotufolastat while it was still in the preclinical development stage in China. BED is an independent third party. We became acquainted with BED through our shared goal of advancing research and development in radiopharmaceuticals. Certain key terms of the XTR020 Agreements are summarized below:

License Granted

Pursuant to the XTR020 Agreements, we have in-licensed from BED the exclusive rights to use the licensed intellectual property related to ^{18}F-Flotufolastat controlled by BED to develop, manufacture, and commercialize ^{18}F-Flotufolastat solution for injection for diagnostic imaging and staging of prostate cancer in Chinese Mainland.

Allocation of Responsibilities

We shall complete the technology transfer and validation of the manufacturing process for ^{18}F-Flotufolastat at our own cost. We shall use our best efforts to complete any necessary preclinical and clinical studies and obtain marketing approval within the agreed timeframe. Additionally, we shall make every effort to maximize the sales and commercial availability of ^{18}F-Flotufolastat in Chinese Mainland. We shall be the MAH for ^{18}F-Flotufolastat in Chinese Mainland.

BED shall provide us with access to documents and protocols related to ^{18}F-Flotufolastat, support us in validating the manufacturing process at our facilities in Chinese Mainland, and assist us in applying for clinical trial approval or marketing authorization. BED shall also supply materials for the manufacture of ^{18}F-Flotufolastat.

Annual minimum sales have been agreed upon by both parties. If we fail to meet the applicable annual minimum sales for a consecutive period of years (as set forth in the agreement), the parties shall engage in good-faith discussions to either (1) terminate the agreement or (2) require us to make certain payments to BED.

Joint Decision Committee

The joint decision committee shall facilitate collaborative decision-making between the parties on matters related to the development and commercialization of ^{18}F-Flotufolastat in Chinese Mainland. BED and we shall each appoint three representatives to the joint decision committee. Each party shall consult with the other and take the other party's views into account in good faith. Recommendations of the joint decision committee shall be made by consensus. Decisions made by the joint steering committee shall not conflict with the terms of the agreement and shall not increase or decrease any party's financial or legal obligations.

Payments

We are obligated to pay upfront and milestone payments ranging in amount up to an aggregate maximum of US$3 million (with the total maximum amount linked to regulatory approval and commercialization success), as well as low-teen to low-twenty benchmark royalties based on sales. We shall pay BED for the supplied materials according to the agreed fee arrangement. As of the Latest Practicable Date, we had paid US$2.0 million.

Intellectual Property Arrangements

BED shall be responsible for drafting, filing, prosecuting, and maintaining the licensed patents at its own cost. We shall ensure that any use of the trademark includes an acknowledgment of BED's ownership of the trademark. We shall not market or sell ^{18}F-Flotufolastat under any other trademarks unless approved by BED.

Term and Termination

The agreement shall remain in full force and effect unless terminated earlier under the terms of the agreement; provided, that, unless earlier terminated, the term of the agreement shall expire on the later to occur of the following: (1) all patents licensed under the agreement have been abandoned, lapsed, rejected, or expired, or (2) the tenth anniversary of the date of grant of marketing approval.

XTR005 In-license Agreement

In August 2017, we entered into an agreement (the "**XTR005 Agreement**") with Piramal Imaging SA (later renamed Life Molecular Imaging SA, currently Lantheus Biosciences Ltd, "**LMI**") to in-license exclusive rights to develop, manufacture, and commercialize the ^{18}F-labeled Aβ-targeted PET tracer, XTR005, in Chinese Mainland. LMI is an independent third party. We became acquainted with LMI through our shared goal of advancing research and development in radiopharmaceuticals. The key terms of the XTR005 Agreement are summarized below:

In-licensed Rights

Pursuant to the XTR005 Agreement, we obtained an exclusive, revocable (pursuant to the termination clause only), non-transferable, and non-sublicensable right under the licensed patents controlled by LMI for the ^{18}F-labeled Aβ-targeted PET tracer as a diagnostic radioligand for neurodegenerative diseases in Chinese Mainland.

We also obtained a non-exclusive, revocable, non-transferable, and non-sublicensable right and license to use the trademark registration controlled by LMI for the ^{18}F-labeled Aβ-targeted PET tracer in Chinese Mainland.

Allocation of Responsibilities

We shall use commercially reasonable efforts to develop the ^{18}F-labeled Aβ-targeted PET tracer in Chinese Mainland in accordance with an agreed clinical development plan. Proposed amendments to the plan shall be submitted to the joint steering committee for approval. We shall sponsor and conduct clinical studies to support the pursuit and maintenance of regulatory approval for the ^{18}F-labeled Aβ-targeted PET tracer in Chinese Mainland. Additionally, we shall be solely responsible for its manufacturing and commercialization in compliance with the relevant rules and regulations in China. We shall also pay for cold kits supplied by LMI at cost-plus basis, and purchase IFP cassettes directly from LMI's designated supplier(s).

LMI shall provide us with all licensed know-how, documents, protocols, and other information related to the ^{18}F-labeled Aβ-targeted PET tracer, support us in establishing our manufacturing at one facility, and supply cold kits (for both synthesis and purification purposes) for our manufacturing and commercialization.

Annual minimum target sales have also been agreed upon by both parties. If we fail to meet the applicable annual sales target for three calendar years, LMI may, at its sole discretion, convert the license into a non-exclusive one or co-promote the ^{18}F-labeled Aβ-targeted PET tracer with us in China.

Joint Steering Committee

The joint steering committee shall oversee and coordinate communication regarding our performance under this agreement for the development, manufacturing, and commercialization of the ^{18}F-labeled Aβ-targeted PET tracer as a diagnostic radioligand for neurodegenerative diseases in Chinese Mainland. LMI and we shall each appoint three representatives to the joint steering committee. The three representatives from each party shall collectively cast one vote on behalf of their respective side. Decisions shall be made by consensus.

In the event of a deadlock, the matter shall be referred to the respective executive officers of both parties by written notice. If the dispute remains unresolved within 30 days after the delivery of such notice, it shall be settled through an agreed arbitration process. The binding arbitration shall take place in New York and shall be administered by the International Chamber of Commerce.

Payments

We are obligated to pay an upfront payment of US$1.0 million and further milestone payments with an aggregate amount of up to US$9.5 million in two phases: the development phase and the commercial phase. As of the Latest Practicable Date, we have fully paid the upfront payment, all development phase milestone payments, and two commercial phase milestone payment, totaling US$3.0 million. We have also paid royalties amounting to US$1.6 million. The remaining commercial phase milestone payments, totaling US$7.5 million, will be due in two installments when cumulative net sales in Chinese Mainland reach certain amounts. We shall also pay LMI a two-tiered royalty on cumulative net sales of the ^{18}F-labeled Aβ-targeted PET tracer, ranging from the high teens to the low twenties.

Intellectual Property Arrangements

All rights to product improvements related to ^{18}F-labeled Aβ-targeted PET tracer, including its manufacture and use, shall be solely owned by LMI. However, each improvement will automatically be considered a licensed patent or licensed know-how and will be included within the license granted under this agreement without additional consideration. All rights to non-product improvements related to ^{18}F-labeled Aβ-targeted PET tracer shall be determined based on inventorship. However, each party shall grant the other an exclusive license to use its improvements.

Term and Termination

This agreement shall remain in full force and effect unless terminated earlier or until five years after the expiration of the last to expire patent licensed under this agreement. Either party may terminate this agreement in the event of the other party's uncured material breach or insolvency.

Out-licensing Agreements with Duality

Starting in 2019, we independently conducted researches on anti-HER3 antibodies, obtained the sequence of candidate anti-HER3 antibodies and subsequently carried out a series of experiments and studies, including humanization, druggability assessment, cellular assays, bio-distribution studies across various tumor models, as well as its potential for ADC conjugation, and pharmacodynamic evaluation of the anti-HER3 antibody based ADCs. These studies identified a series of anti-HER3 antibodies which demonstrated to possess high affinity, high specificity, excellent druggability, strong tumor targeting and retention, and potent antitumor activity. Our studies on the anti-HER3 antibodies was concluded in 2021. As our focus is on developing radiopharmaceuticals, we intended to out-license non-radiopharmaceutical intellectual property. Duality Biotherapeutics, Inc. ("**Duality**") expressed interest in in-licensing antibody sequences for ADC development, leading to a subsequent business development transaction with Duality.

Starting in November 2021, we entered into a series of agreements with Duality to out-license (i) certain patents and know-how owned or controlled by us relating to our in-house developed HER3 mAb ("**HER3 MAb Licensed IP**") (the "**Duality MAb Agreement**"), and (ii) certain patents and know-how owned or controlled by us relating to our in-house developed HER3 bispecific and multi-specific antibodies (together with the "**HER3 MAb Licensed IP**," the "**HER3 Antibody Licensed IP**") (the "**Duality BsAb and MsAb Agreement**" and, together with the Duality MAb Agreement, the "**Duality Agreements**"). The salient terms of the Duality Agreements are summarized below:

Rights Out-licensed

Pursuant to the Duality Agreements, we granted Duality an exclusive (even to us), royalty-bearing, irrevocable and sublicensable license to use the HER3 Antibody Licensed IP to develop, manufacture, commercialize and otherwise exploit ADC compounds (the "**HER3 ADC Compounds**") and pharmaceutical products containing any HER3 ADC Compound in any form, formulation or dosage form (the "**HER3 ADC Products**" which, for clarity, comprise HER3-monospecific, bispecific and multi-specific ADC products) globally in all uses.

For the avoidance of doubt, we reserve the rights to develop, manufacture, commercialize, and otherwise exploit radiopharmaceuticals containing HER3 Antibody Licensed IP, in any form, formulation, or dosage, for all uses globally.

Allocation of Responsibilities

Duality shall bear all development and commercialization-related expenses for the HER3 ADC Products and are responsible for the preparation and submission of the requisite regulatory filings, to the extent such activities are within the scope of the granted licenses. We shall use commercially reasonable efforts to provide necessary assistance in the process.

Joint Steering Committee

The joint steering committee established by Duality and us is composed of three representatives from each of Duality and us, to discuss the overall coordination and oversight of the activities under the Duality Agreements. The joint steering committee will endeavor to make decisions by consensus. If consensus is not reached, senior executives from both parties shall engage in consultation and decision-making. If consensus still cannot be reached through good-faith negotiation, Duality shall have the final decision-making authority with respect to the R&D, clinical studies, manufacturing, and commercialization of HER3 ADC Compounds and HER3 ADC Products developed pursuant to the Duality Agreements. Both parties have the right to be informed of the final decisions regarding any disagreements.

Payments

Pursuant to the Duality MAb Agreement, we have received an upfront payment of US$1.25 million, and are entitled to receive milestone payments for each HER3 ADC Product (i) up to US$9.0 million upon the achievement of specified development and regulatory milestones, and (ii) up to US$110.5 million upon the achievement of sales-based milestones. Pursuant to the Duality BsAb and MsAb Agreement, we have received an upfront payment of US$1.0 million, and are entitled to receive milestone payments for each HER3 ADC Product (i) up to US$5.86 million upon the achievement of specified development and regulatory milestones, and (ii) up to US$71.83 million upon the achievement of sales-based milestones. As of the Latest Practicable Date, we had received a total of US$2.81 million in milestone payments and sublicense fees.

In addition, upon commercialization, we are eligible to receive royalties at a percentage not exceeding 1% on the annual net sales of each HER3 ADC Product on a region-by-region basis. The royalties shall be payable for a period from the first commercial sale of HER3 ADC Product in such region until the later of (i) ten years commencing upon the first commercial sale of such HER3 ADC Product in such region, and (ii) the loss of valid patent protection of intellectual property covering the HER3 ADC Compound or HER3 ADC Product in such region.

Intellectual Property Arrangements

Duality shall be the sole owner of all intellectual property rights independently developed by it in relation to (i) the HER3 ADC Compounds and HER3 ADC Products, and (ii) its ADC technology platforms, including improvements to the HER3 ADC Compounds, HER3 ADC Products, and the HER3 antibodies performed under these agreements. We retain ownership of the intellectual property rights independently developed by us outside the scope of the granted licenses. Any improvements jointly made by both parties in relation to the HER3 ADC Compounds, HER3 ADC Products, and the HER3 antibodies licensed to Duality will be jointly owned by the parties.

Term and Termination

The Duality Agreements will remain in effect until terminated in accordance therewith. Each of the Duality Agreements may generally be terminated earlier: (i) by mutual consent, (ii) if we are in uncured material breach, Duality is entitled to either terminate the agreements or elect to retain the licenses granted by continuing to perform its contractual obligations, (iii) if Duality is in uncured material breach, we shall have the right to terminate the agreements or convert the exclusive license to a non-exclusive license, (iv) if either party enters into liquidation, dissolution, bankruptcy, winding-up or similar insolvency proceedings, or (v) if Duality is in material default of its payment obligations.

XTR010 Agreements

On October 10, 2018, we entered into an agreement with the National Institute for Biomedical Imaging and Bioengineering ("**NIBIB**"), an institute within the National Institutes of Health ("**IC**") (referred to herein as the "**XTR010 Agreement**") related to certain patent rights controlled by IC to in-license exclusive global rights to make, use, sell, offer to sell, and import Evans blue-modified small molecule-based PSMA radiotherapies, including XTR010, for the treatment of metastatic castration-resistant prostate cancer. IC is an agency within the Department of Health and Human Services, which is part of the United States Government. We became acquainted with IC through our shared goal of advancing research and development in radiopharmaceuticals. The XTR010 Agreement did not provide for any joint steering committee arrangement or similar arrangements, neither does it include any shared responsibilities for the success of XTR010's clinical development. The key terms of the XTR010 Agreement are summarized below:

In-licensed Rights

Pursuant to the XTR010 Agreement, we obtained a worldwide exclusive commercialization license to patent rights controlled by IC (i.e. U.S. patent application No. 62/633,648) to make, use, sell, offer to sell, and import Evans blue-modified small molecule-based PSMA radiotherapies for the treatment of metastatic castration-resistant prostate cancer. Upon written approval, which shall include prior review of any sublicense agreement by the IC (agreed not be unreasonably withheld), we may enter into sublicensing agreements under the licensed patent rights and no broader than the field of use as granted. IC reserves, on behalf of the U.S. Government, an irrevocable, non-exclusive, non-transferable, royalty-free license to practice all inventions licensed under the licensed patent rights globally.

Allocation of Responsibilities

We agreed that products used or sold in the U.S. covered by the licensed patent rights shall be manufactured substantially in the U.S., unless a written waiver is obtained in advance from the IC. We also agreed to provide IC with a reasonable amount of a product covered by the licensed patent rights for research use at cost. We shall use reasonable commercial efforts to bring a product covered by the licensed patent rights into practical application.

Payments

We are obligated to pay an upfront payment of US$200,000, benchmark royalties with an aggregate amount of US$1.05 million in installments, mid-single-digit royalties based on the net sales of XTR010, and non-refundable minimum annual royalties. As of the Latest Practicable Date, we had paid the upfront payment and milestone payment of US$350,000 as well as patent royalty payments of US$70,000.

Intellectual Property Arrangements

We retain the rights to claim intellectual property rights in patentable improvements or derivatives of a compound, product, or formulations produced solely by us.

Term and Termination

The XTR010 Agreement remains in full force and effect unless terminated earlier or until the expiration of the last to expire patent licensed under this agreement.

IC may terminate the XTR010 Agreement if: (1) we default on the performance of any material obligations; (2) we become insolvent; (3) we fail to execute the commercial development plan or do not take reasonable steps to achieve practical application; (4) we commit a material breach; or (5) we cannot keep a licensed product covered by the licensed patent rights in the licensed field of use reasonably available to the public after commercial use commences or cannot reasonably satisfy unmet health and safety needs.

We have the unilateral right to terminate the XTR010 Agreement or any licenses in any country or territory by giving IC 60 days written notice.

RESEARCH AND DEVELOPMENT

We consistently devote resources to research and development to pave the way for long-term growth. We believe that the diversification and expansion of our product pipeline through the "dual-wheel" strategy – leveraging both in-house research and development and external collaborations – have greatly contributed to our past competitiveness and success and will continue to reinforce our established first-mover advantages. We carefully select research and development projects by balancing the medical needs and commercial potential (including potential competition and market size) of the product candidate and its likelihood of successful development. Our research and development expenses for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026 amounted to RMB228.0 million, RMB237.5 million, RMB106.9 million and RMB156.6 million, respectively. Our research and development expenses attributable to our Core Products were RMB87.5 million, RMB73.1 million, RMB37.4 million and RMB57.4 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 38.4%, 30.8%, 35.0% and 36.7% of our total research and development expenses, and 24.4%, 16.7%, 18.4% and 22.5% of our total operating expenses (i.e. research and development expenses, selling and distribution expenses and administrative expenses) in the respective period.

R&D Team

The development of radiopharmaceuticals requires highly specialized expertise and qualifications. We have assembled a professional team with inter-disciplinary experience and expertise to meet the requirements. As of the Latest Practicable Date, our dedicated in-house R&D team comprised 253 employees. The functions of our R&D team span the entire spectrum of druggability evaluation, preclinical research, clinical study and regulatory affairs. There was no material movement of our R&D team members during the Track Record Period. The following table sets forth the composition of our R&D team as of the Latest Practicable Date:

Function	Number	% of total
Drug discovery	37	14.6
Drug research	145	57.3
Clinical development	71	28.1
Total	**253**	**100.0**

Core members of our R&D team include Mr. WANG Peng, Dr. JIN Yun, Ms. LIU Shuang and Dr. YANG Guogui. Please see "Directors and Senior Management" for biographies of Mr. Wang, Dr. Jin and Ms. Liu. Dr. Yang, our vice president mainly responsible for development of radiochemical processes, has 17 years of experience in development of radiopharmaceuticals. Dr. Yang was certified as a senior engineer. Dr. Yang obtained his doctor's degree in radioisotopes and application technologies from the China Academy of Atomic Energy Sciences. All our core R&D team members have been with us throughout the Track Record Period and up to the Latest Practicable Date.

Core R&D member	Contributions to our Core Products
Mr. Wang	Mr. Wang led the formulation of development strategies of our Core Products and led the clinical development efforts.
Ms. Liu	Ms. Liu led the pharmaceutical and non-clinical development efforts for our Core Products.
Dr. Jin	Dr. Jin led the research related to the precursors of our Core Products, including studies on the biological activity of the precursors and research on synthesis processes.
Dr. Yang	Dr. Yang led the research related to the radiochemistry of our Core Products, including studies on radionuclides, labeling processes and formulation process development.

Collaboration with Third Parties

In addition to conducting our core R&D activities in-house, we also engage reputable CROs to manage, conduct, and support our preclinical studies and clinical trials, such as safety evaluation, clinical supervision and report preparation. We select CROs based on various factors, such as professional qualifications, research experience in the related fields, service quality and efficiency, industry reputation, and pricing. Depending on the type of services needed, we enter into service agreements with our CROs on a project-by-project basis, which set out detailed work scope, procedures, timeline, payment schedule and so forth. The CROs are required to perform their services within the prescribed time limit set out in each work order. We are required to make payments to the CROs in accordance with a payment schedule agreed by the parties. We own all intellectual property rights arising from the projects conducted by the CROs within the stipulated work scope. Our CROs are not allowed to disclose confidential information, including but not limited to, any technical materials, research reports or trial data related to the project specified in the agreement, and such obligation may survive the termination of the agreement. We closely supervise our CROs to ensure they perform in a manner that complies with our protocols and applicable laws, which in turn protects the integrity and authenticity of the data from our trials and studies. In 2024, 2025 and the first half of 2026, we engaged 46, 55 and 34 CROs, respectively. For risks relating to CROs, see "Risk Factors – We work with various third parties to develop our product candidates, such as those who help us conduct our preclinical studies and clinical trials. These third parties may not successfully carry out their contractual duties or meet expected timelines."

Although we provide CRO/CDMO services through our subsidiary, Glotope, to third parties, such services primarily focus on the radioactive component of radiopharmaceutical development and manufacturing. By contrast, we procure CRO/CDMO services for components outside the scope of our in-house capabilities, at the relevant time of procurement, mainly including the preparation of non-radioactive precursors, clinical trial site management, clinical data management and statistical analysis and manufacturing of therapeutic radiopharmaceuticals. In addition, our CRO/CDMO services for short-shelf life diagnostic radiopharmaceuticals are currently provided primarily through our Zhongshan and Wuxi facilities. Given the short shelf life of approximately 10 hours of such products, their road transportation radius is generally limited to approximately 350 to 400 kilometers. Accordingly, we also procure CRO/CDMO services from third parties in regions beyond the coverage of our existing facilities to support clinical trial and commercial supply.

MANUFACTURING

Manufacturing Facilities

As of the Latest Practicable Date, we had three production facilities, including one located in Wuxi, Jiangsu Province, one located in Zhongshan, Guangdong Province and one in Mianyang, Sichuan Province, which had an aggregate GFA of over 40,000 sq.m., housing a total of 21 commercial-scale production lines. Among them, four production lines (with an aggregate annual designed production capacity of 120,000 doses) have obtained production licenses and passed GMP compliance inspections, authorizing them to produce pharmaceuticals for commercial sales. During the Track Record Period, these four production lines were mainly used for commercial production of XTR005 (歐韋寧®) and clinical production.

We allocate the functions and production capacity of our production facilities primarily based on product type, geographic coverage and distribution efficiency. Due to the short shelf life and validity period of radiopharmaceutical diagnostic products, the effective delivery radius is generally limited to approximately 350 to 400 kilometers. Accordingly, we adopt a combination of self-owned production facilities and entrusted manufacturing arrangements to achieve nationwide supply coverage. We have radiopharmaceutical manufacturing facilities in Guangdong, Jiangsu, and Sichuan Provinces, which enables us to potentially cover core markets in Pearl River Delta and Yangtze River Delta of China. We will commence the construction of our Tianjin manufacturing facility in the first quarter of 2027, and such facility is expected to cover North China markets centred around Beijing and Tianjin.

Our Zhongshan facility in Guangdong Province and Wuxi facility in Jiangsu Province are equipped with IBA Cyclone® Kiube cyclotrons, which have maintained stable operations and provide sufficient radionuclide supply for diagnostic radiopharmaceutical production. In particular, the Zhongshan facility has established a solid-target radionuclide R&D and manufacturing platform with large-scale in-house production capabilities for radionuclides such as ^{64}Cu, ^{89}Zr, and ^{68}Ga. In addition, each manufacturing base is equipped with multiple radiopharmaceutical production lines and automated synthesis and dispensing systems, quality control laboratories, and cold-chain storage facilities. Collectively, these facilities provide end-to-end capabilities spanning radionuclide production, synthesis, dispensing, quality inspection, warehousing, and distribution, enabling precise manufacturing and regional dispatch of radiopharmaceuticals within the radionuclide decay window and ensuring efficient delivery from production to clinical application.

The table below sets forth the allocation of work, covered areas and/or production capacity of each of our existing facilities:

Facilities	Work	Major Covered Areas	Maximum production capacity	GMP-complied Production Line
Zhongshan	Manufacturing of radiopharmaceutical diagnostic products	the Pearl River Delta region in Southern China	90,000 doses	3
Wuxi	Manufacturing of radiopharmaceutical diagnostic products	the Jiangsu-Zhejiang-Shanghai and Eastern China markets	30,000 doses	1
Mianyang[(1)]	Manufacturing of radiopharmaceutical therapeutic products	Chinese Mainland	–	–

Note:

(1) Mianyang facility does not yet have any commercial production lines, as none of its production lines has both obtained a manufacturing permit and passed the GMP compliance inspection. The Company expects to pass the GMP compliance inspection by the second half of 2027. We expect commercial production to commence progressively from 2028, depending on the development and commercialization progress of the relevant products and completion of applicable regulatory procedures. In the initial stage, the facility is expected to support the production of XTR008 and other products manufactured through our CDMO services from 2028. In particular, the production line planned for XTR008 has a maximum annual production capacity of approximately 40,000 doses. As our product pipeline progresses, additional production lines are expected to commence commercial production progressively from 2031 onwards for products including XTR021 and other products manufactured through our CDMO services.

In addition, we carry out maintenance and repair work in compliance with applicable GMP requirements and we replace or upgrade our production equipment when necessary to enhance productivity. We believe our production facilities and equipment are in good working condition.

The following table shows the designed production capacity, actual production volume and utilization rates of the four production lines that have obtained production licenses and passed GMP compliance inspections during the Track Record Period:

	Year ended December 31, 2024			Year ended December 31, 2025			Six Months Ended June 30, 2025			Six Months Ended June 30, 2026		
	Design Production Capacity	Production Volume	Utilization Rate[1]	Design Production Capacity	Production Volume	Utilization Rate[1]	Design Production Capacity	Production Volume	Utilization Rate[1]	Design Production Capacity	Production Volume	Utilization Rate[1]
	(doses)	*(doses)*	*(%)*	*(doses)*	*(doses)*	*(%)*	*(doses)*	*(doses)*	*(%)*	*(doses)*	*(doses)*	*(%)*
Fluorine-labeled drug	90,000	6,589	7.3	102,500	18,449	18.0[2]	45,000	6,450	14.3	60,000	12,053	20.1

Notes:

(1) Utilization rate is calculated by dividing the production volume by the designed production capacity. The utilization rate of our product lines is relatively low since our products are at the early stage of commercialization. We expect such utilization rate will increase gradually as our currently commercialized products establish and expand their market presence and additional drug candidates enter the commercialization stage in future.

(2) The increase in the utilization rate in 2025 was primarily due to the commercial production of XTR005 (歐韋寧®) commencing in 2025.

(3) Such fluorine-labeled drug mainly included XTR004, XTR006, XTR005, XTR020 and ^{18}F-FDG during the Track Record Period.

(4) The increase in the utilization rate in the first half of 2026 was primarily due to the addition of a new production line at Wuxi facility and the expansion of the sales of XTR005 (歐韋寧®).

The table below sets forth the amount and nature of products produced under each revenue stream:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	(doses)	*(doses)*	*(doses)*	*(doses)*
Production Volume – Fluorine-labeled drug				
Zhongshan				
– Sales of goods[1]	4,162	12,763	5,942	7,038
– CDMO services[2]	–	–	–	–
– R&D[3]	2,427	1,684	508	795
Subtotal	*6,589*	*14,447*	*6,450*	*7,833*
Wuxi				
– Sales of goods[1]	–	2,271	–	3,979
– CDMO services[2]	–	–	–	–
– R&D[3]	–	1,732	–	241
Subtotal	–	*4,003*	–	*4,220*
Total	**6,589**	**18,449**	**6,450**	**12,053**

Notes:

(1) Mainly included production of XTR005 and ^{18}F-FDG for sales of goods.

(2) During the Track Record Period, the Company's CDMO projects remained at the pre-IND laboratory research stage and had not reached the stage requiring GMP manufacturing.

(3) Mainly included production of XTR006, XTR020 and XTR004 and ^{18}F-FDG for the Company's research and development activities.

We obtained the NDA approval for XTR005 in September 2023 and commenced its commercialization in January 2025. Prior to obtaining the NDA approval, we had already commenced preparations for the commercial manufacturing of XTR005. In late 2021, we submitted an application for a radiopharmaceutical manufacturing B license to the relevant regulatory authority and, at the same time, included a small-scale radiopharmaceutical manufacturer located in Tianjin ("**CMO A**") as an entrusted CMO in the application materials. We obtained our radiopharmaceutical manufacturing B license in February 2022, post which we became aware of the facility upgrade plan of CMO A and its lack of adequate capacity to produce XTR005 in the following two years. We therefore selected another radiopharmaceutical CMO in Beijing ("**CMO B**") and entered into an entrust manufacturing agreement with it in June 2023.

Subsequently, in October 2023, the NMPA issued the Announcement on Strengthening the Supervision and Administration of Entrusted Manufacturing by Drug Marketing Authorization Holders (2023 No. 132), which specifically requires B-license holders to strengthen the production quality management of entrusted CMOs and subjects such B-license holders to enhanced regulatory oversight.

As our Company was the first enterprise holding solely a radiopharmaceutical manufacturing B-license at that time, after a lengthy regulatory review process of nearly 15 months, our entrusted manufacturer, CMO B, obtained the qualified approval for the commercial production of XTR005 in January 2025. As the regulatory authorities have gradually become more familiar with radiopharmaceuticals and we have accumulated further experience with the relevant regulatory procedures, since 2026, we have completed the addition of six radiopharmaceutical CMOs in different regions, with the regulatory review process for each completed within six months.

In addition, we also had 17 production lines at our existing facilities during the Track Record Period, which were primarily used for clinical research and development activities, including pilot-scale production, quality studies, non-clinical studies, stability testing and process validation, and/or for providing CDMO services that did not involve commercial production. Given their current uses, these production lines are not required to undergo GMP compliance inspections or obtain GMP certification. If any of these production lines are subsequently used for the commercial production of specific products, we will complete the applicable GMP compliance procedures based on the commercialization progress and production requirements of the relevant products before commencing commercial production.

The table below sets forth the allocation of work, covered areas and/or production capacity of these production lines:

Facilities	Work	Maximum production capacity	Non-GMP-complied Production lines
Zhongshan	Production of radiopharmaceuticals for our own R&D activities, clinical studies or the provision of CDMO services	Diagnostic radiopharmaceuticals: 7,200 doses Therapeutic radiopharmaceuticals: 20,000 doses	3[(1)]
Wuxi	Production of radiopharmaceuticals for our own R&D activities, clinical studies or the provision of CDMO services	Diagnostic radiopharmaceuticals: 90,000 doses Therapeutic radiopharmaceuticals: 17,000 doses	5[(2)]
Mianyang	(i) Production of radiopharmaceutical kits, and (ii) production of radiopharmaceuticals for our own R&D activities, clinical studies and the provision of CDMO services	Radiopharmaceutical kits: 840,000 vials Therapeutic radiopharmaceuticals: 80,000 doses	9[(3)]

Notes:

(1) As of the Latest Practicable Date, Zhongshan facility had three production lines, two of which had commenced operation, while the remaining one had not yet been put into operation and are expected to commence operation progressively in line with the development progress of our relevant product candidates.

(2) As of the Latest Practicable Date, Wuxi facility had five production lines, four of which had commenced operation, while the remaining one had not yet been put into operation and are expected to commence operation progressively in line with the development progress of our relevant product candidates.

(3) As of the Latest Practicable Date, Mianyang facility had nine production lines, four of which had commenced operation, while the remaining five had not yet been put into operation and are expected to commence operation progressively in line with the development progress of our relevant product candidates.

The following table shows the designed production capacity, actual production volume and utilization rates of the remaining ten production lines which had commence operation during the Track Record Period:

	Year ended December 31, 2024			Year ended December 31, 2025			Six Months Ended June 30, 2025			Six Months Ended June 30, 2026		
	Design Production Capacity	Production Volume	Utilization Rate[(1)]	Design Production Capacity	Production Volume	Utilization Rate[(1)]	Design Production Capacity	Production Volume	Utilization Rate[(1)]	Design Production Capacity	Production Volume	Utilization Rate[(1)]
			%			%			%			%
Diagnostic radiopharmaceuticals (doses)	7,200	83	1.2	37,200	1,569	4.2	15,000	460	3.1	48,600	1,489	3.1
Therapeutic radiopharmaceuticals (doses)	32,000	221	0.7	100,000	845	0.9	30,000	640	2.1	58,500	436	0.8
Radiopharmaceutical kits (vials)	–	–	N/A	–	–	N/A	–	–	N/A	420,000	61,500	14.6

Note:

(1) Utilization rate is calculated by dividing the production volume by the designed production capacity. The utilization rate of our product lines is relatively low since our products are at the early stage of commercialization. We expect such utilization rate will increase gradually as our currently commercialized products establish and expand their market presence and additional drug candidates enter the commercialization stage in future.

Expansion Plan

Considering the limited shelf life of our innovative radiopharmaceuticals, we plan to establish a new manufacturing facility in Tianjin to further optimize our nationwide production network, while reducing reliance on external CMOs and strengthening supply chain control. Currently, we have completed site selection of this new facility and fully paid the relevant land grant consideration. Accordingly, none of the net proceeds from the Listing will be used to settle the land grant consideration for the Tianjin facility. We currently plan to complete the land transfer procedures for the proposed Tianjin manufacturing facility by the end of July 2026, commence construction by the first quarter of 2027, complete the construction in the second half of 2028, and obtain the relevant Radiation Safety Permit for the facility in first half of 2029. The Tianjin facility is intended to primarily support the production and regional supply of radiopharmaceutical diagnostic products in the Beijing-Tianjin-Hebei region. The expected capital expenditure for the construction of the Tianjin facility, including construction costs; expenses for the purchase of production equipment, is approximately RMB150.0 million, which is expected to be funded by a combination of net proceeds from the Listing, our internal financial resources and banking facilities. In the future, we will adopt a combination of in-house manufacturing and CDMO partnerships to produce our Core Products, ensuring broad regional coverage of our offerings. We expect commercial production to commence in the second half of 2030, subject to completion of the relevant technology transfer and regulatory procedures. In the initial stage, the facility is expected to manufacture XTR005, XTR004, and XTR020, with the relevant production lines each having a maximum annual production capacity of approximately 60,000 doses. As production ramps up, an additional production line with an annual production capacity of approximately 7,200 doses is expected to commence commercial production for XTR015.

Production for Core Products

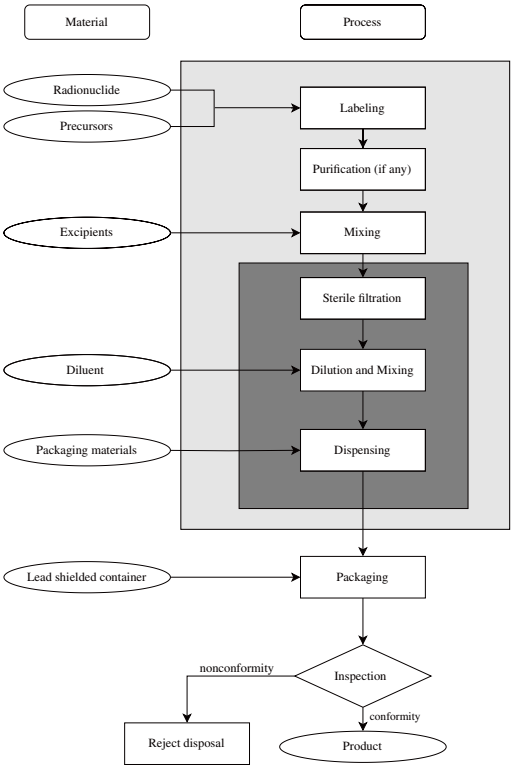
For XTR008, following the NDA approval, we plan to still collaborate with the INPC to work as the CMOs to support nationwide commercial supply and facilitate rapid market penetration after commercialization. In parallel, we plan to complete the relevant regulatory procedures for Mianyang facility. We expect that such regulatory procedures may take approximately nine months to one year to complete following the NDA approval. Starting from 2028, we expect to gradually transition the production of XTR008 to our in-house production facilities, with approximately 80% of XTR008 expected to be manufactured in-house and approximately 20% by external CMOs since 2028. We currently expect XTR008 to be fully manufactured at our Mianyang facility from 2029, which is expected to have an annual production capacity of approximately 40,000 doses. Based on our current commercialization plan, such capacity is expected to satisfy the anticipated demand for XTR008 following commercialization.

We believe that the centralized production of XTR008 at the Mianyang facility is able to support our nationwide commercialization and supply. Our Mianyang facility has obtained the requisite licenses for radiopharmaceutical production and has sufficient production capacity and expansion flexibility. In addition, INPC, our supplier of ^{177}Lu, is located in proximity to the Mianyang facility and has extensive experience in supplying ^{177}Lu to the facility, facilitating timely radionuclide supply and reducing transportation loss and costs. XTR008 has a shelf life of approximately 72 hours calculated from the completion of manufacturing, and we plan to adopt a combination of road and air transportation to deliver XTR008 nationwide. We have established cooperation with qualified radioactive material transportation and air logistics service providers and conducted multiple trial runs of relevant delivery routes. Under the current arrangements, XTR008 is generally expected to be delivered to hospitals nationwide within 24 hours after production, at an estimated cost of no more than 3% of the expected selling price of XTR008 and fully borne by us. The expected selling price of XTR008 will be set at no more than RMB160,000 per unit, after consideration of the production cost, prices of competing drugs and patient affordability. XTR008 will be manufactured on an order-driven basis, with production generally scheduled one to two weeks following receipt of customer orders and the manufacturing process taking no more than 48 hours.

For XTR004, following commercialization expected in 2030, we plan to continue the combined in-house manufacturing and CMO collaboration model, under which our self-owned production facilities will primarily support core regional demand, including the Beijing-Tianjin-Hebei Region, the Yangtze River Delta Region and the Guangdong-Hong Kong-Macao Greater Bay Area, while third-party CMOs will supplement excess production capacity and support supply in non-core regions, thereby balancing production efficiency, supply flexibility and cost control. We expect production to be generally scheduled within one week following receipt of customer orders, with the manufacturing process taking approximately five hours. The shelf life of XTR004, which is approximately eight hours, is calculated from the completion of the manufacturing process. Based on our current commercialization plan, we expect approximately 60% of XTR004 production in 2030 to be supported by our in-house facilities and approximately 40% by external CMOs, taking into account that the establishment and qualification of individual CMOs will require preparation time. As our nationwide commercial coverage expands and additional CMOs become ready for commercial supply, we currently expect the longer-term manufacturing mix to gradually reach approximately 50% in-house manufacturing and 50% external CMO supply.

Manufacturing Process

The following diagram summarizes the manufacturing process for radiopharmaceuticals, which takes approximately 0.5-1 day.



Legend:

No.	name	symbol	meaning
1	Process steps		processing of materials
2	Flow		the direction and connection of processes and materials
3	Materiel		materiel
4	Inspection		inspection
5	Grade C zone		Grade C Clean zone
6	Grade A zone		Grade A Clean zone

Collaboration with Third Parties

During the Track Record Period and up to the Latest Practicable Date, we had worked with qualified CMOs to manufacture product candidates, including XTR003, XTR004, XTR006, XTR008 and XTR020, and commercialized product, XTR005. We engaged 9, 15 and 15 CMOs in 2024, 2025 and the first half of 2026, respectively. All of such CMOs engaged possess the relevant qualifications and experience necessary to perform their roles. We select CMOs by taking into account a number of factors, such as their manufacturing capacity and qualifications, relevant expertise, reputation and track record, product quality and applicable regulations and guidelines. CMOs are obliged to ensure that the quality of products meet the quality standards set out in the agreement and requirements of cGMP and other regulations. We are required to make payments to the CMOs in accordance with the payment schedule set forth in the agreement, which is typically linked to the stages of the manufacturing process and the deliverables we receive. We own all intellectual property rights arising from the outsourced manufacturing processes. CMOs are not allowed to disclose confidential information, including but not limited to, any technical materials, research reports or trial data related to the project specified in the agreement, and such obligation may survive the termination of the agreement. We have adopted, and will continue to implement, procedures to ensure that the production qualifications, facilities and processes of our CMOs comply with the applicable regulatory requirements and our internal guidelines and quality standards. For more information, please see "– Quality Control." For risks relating to CMOs, see "Risk Factors – We rely on third parties, including INPC, to manufacture a portion of our products for clinical development and commercial sales."

Inventory Management

We actively manage and maintain our inventories to ensure cost-efficiency, quality control and the timely manufacturing, distribution and sales of our products. Our inventory primarily consists of finished products, work in progress and raw materials. Inventories are stored in different areas in our warehouses according to their respective storage condition requirement, properties and usage and batch number.

QUALITY CONTROL

We believe that an effective quality control system is critical to ensure the quality of our products and maintaining our reputation and success. Our senior management team is actively involved in formulating internal quality control policies and monitoring our overall quality control process. We have established comprehensive quality control procedures and protocols that span across the entire production lifecycle from raw material sourcing till the final products are delivered to customers.

Quality Control of Raw Materials

We have established detailed quality control procedures guiding our internal production and external purchase of raw materials used in the manufacturing of our products and product candidates. We have established detailed internal rules governing the selection of raw materials suppliers. We purchase raw materials only from suppliers whose business qualification and product quality we have verified. We select suppliers based on a variety of factors including qualifications, business reputation, production scale, quality and prices.

Quality Control of Work in Progress

Our quality control team is responsible for ensuring that our manufacturing processes conform with applicable national standards including GMP standards. We have various rules to govern production process, including Deviation Treatment Management Procedures, Rectification and Prevention Management Procedures and Production Site Monitoring and Management Procedures.

Quality Control of Finished Products

Before we deliver our final products to customers, our quality assurance team conducts quality assessment of each batch of products to ensure that they have been produced in accordance with the applicable national standards including GMP requirements and approved production processes. Authorized quality control personnel inspects the documentation relating to the quality of a product, including its batch records, laboratory control records, production process records and other information that may impact on product quality to confirm that all necessary examinations have been conducted with satisfactory results. Only the final products that have fulfilled all testing requirements can be released and sold to the market.

MARKETING AND SALES

In-House Sales and Marketing Team

Our in-house sales and marketing team is primarily responsible for the promotion of our products through various marketing activities and sales through different channels in China. As of the Latest Practicable Date, our in-house sales and marketing team included 219 employees, with an average of approximately 13 years of pharmaceutical industry-related experience. We believe that an in-house sales and marketing team with a relatively high level of industry knowledge and expertise is important to implement our academic marketing approach and to maintain our reputation and brand image. We regularly provide in-house trainings to our sales and marketing personnel to enhance their knowledge about our products and professional skills.

Our sales and marketing personnel are required to strictly adhere to our detailed procedures, policies and guidelines, including but not limited to a code of conduct on interacting with, and promoting our products to, healthcare professionals. Please see "– Risk Management and Internal Control."

Marketing

Currently we promote our pharmaceutical products, such as XTR005 (歐韋寧®), through our in-house sales and marketing team. We organize and participate in a wide variety of academic conferences, seminars and symposia, on which we communicate with healthcare professionals about the usage, efficacy, safety and latest clinical research results of our products. We also provide tailored product training, where medical professionals can learn how to properly administer our products. These academic marketing activities not only enable us to obtain the requests and feedback of our products from healthcare professionals timely, but also promote our brand and product awareness among healthcare professionals. In respect to our near-commercial Core Product, XTR008, our in-house sales and marketing team will adopt a hospital and physician-targeted marketing strategy, focusing on direct and interactive communications with key opinion leaders and physicians to promote the clinical use of XTR008. Such efforts are expected to commence several months prior to the commercial launch of XTR008. We intend to identify a number of Class III hospitals that specialize in surgery and oncology and nuclear medicine and to visit the sites and physicians in person for pre-launch training and engagement. We are actively seeking to have XTR008 included in relevant guidelines. We will also continue to refine our commercialization strategies for each late-stage product candidate.

Our commercialization plan for XTR004 is based on a gradual market penetration strategy rather than broad or immediate replacement of SPECT-MPI. We intend to prioritize hospitals and nuclear medicine centers with established PET/CT infrastructure and suitable patient volumes, enhance physician awareness and clinical adoption through medical education and clinical evidence generation, and progressively expand market coverage as PET-MPI infrastructure, reimbursement coverage and patient acceptance improve. While factors such as limited reimbursement coverage for PET/CT imaging, relatively high out-of-pocket costs, and the availability of PET/CT equipment and qualified nuclear medicine facilities may constrain near-term adoption, the current low penetration also provides substantial room for long-term growth. Accordingly, our business plan takes into account a relatively gradual initial commercialization ramp-up while positioning our PET-MPI products to capture the expected long-term expansion of the market.

Sales

We determine the sales channels for our products based primarily on their product characteristics, supply chain requirements and commercial considerations, rather than regulatory requirements. Given the short shelf lives of radiopharmaceutical products and the need for timely production and delivery, we adopt a direct sales model for XTR005 (歐韋寧®) to better coordinate production and delivery schedules, enhance supply chain efficiency and control costs. We expect to continue adopting direct sales as the primary sales channel for our radiopharmaceutical product candidates upon commercialization, leveraging our in-house sales and marketing team. As the radiopharmaceutical market matures and our sales scale expands, we may also engage distributors with suitable delivery capabilities to serve certain markets, particularly regions beyond the coverage of our facilities, taking into account factors such as costs, delivery distances and product shelf lives. In contrast, as 歐達樂® is a non-radiopharmaceutical product without short-shelf life constraints and can be stored as inventory, we sell it through distributors to leverage their established distribution networks and local market resources, while allowing our in-house sales and marketing team to focus on radiopharmaceutical products.

Direct Sales

We sell XTR005 directly to healthcare institutions in China. We enter into long-term sales agreements with our direct sale customers while purchase orders are separately placed for each purchase. Our selling prices to direct sales customers are typically fixed during the term of the direct sales agreements. We set annual minimum purchase requirements for some of our direct sales customers. We are responsible for the delivery of our products to our direct sales customers at our own costs. We generally do not allow product returns or exchanges except for defective products. We typically grant our direct sales customers a credit term of 30 to 280 days and they pay us via wire transfer. In addition, we sell radionuclides mainly to hospitals. In the first half of 2026, we had 183 direct sale customers.

Distributors

We sell 歐達樂® to distributors, which distribute such products to hospitals in China. We benefit from our distributors' established distribution channels and local resources to save costs that would otherwise be required to establish and maintain a nationwide logistics network across the PRC on our own, and to increase the effectiveness of launching and selling our products in our target markets within a short period of time. In 2024, 2025 and the first half of 2026, we engaged 12, 23 and 29 distributors, respectively. We do not require our distributors to maintain a minimum inventory level. We generally do not allow product returns or exchanges except for defective products.

We select our distributors based on their proven distribution abilities, knowledge of their target markets, warehouse management, financial stability, credit records and expertise and experience of their management team. We require all our distributors to possess all licenses and permits necessary for the sales and distribution of pharmaceutical products.

During the Track Record Period, we did not terminate our business relationship with any distributors due to their breach of their distribution agreements or their non-compliance with regulatory requirements.

Logistics Arrangement

We engage third-party logistics service providers to transport our products to our direct sales customers and distributors. We have entered into logistics service agreement with such providers, pursuant to which they are responsible for any loss caused by their negligence during the course of their logistics services. In the future, we plan to build our own transportation capabilities which can be used to deliver our Core Products. By combining our own transportation capabilities with third-party logistics service providers, we strive to ensure delivery timeliness while reducing transportation costs. During the Track Record Period, we did not experience any transportation or logistics issues that made our products unusable upon delivery to hospitals and had a material adverse impact on our business.

Marketing Services

We provide marketing services to a third-party radiopharmaceutical company ("**Marketing Services Customer**"), our Customer C, regarding one of their diagnostic radioligands ("**Marketing Product**"), in order to further enhance our reputation in the radiopharmaceutical market as well as build a professional sales and marketing team for radiopharmaceuticals in preparation for the commercialization of our own products. Such Marketing Product is a technetium-99m (^{99m}Tc)-labeled diagnostic radiopharmaceutical primarily used for MPI to detect myocardial ischemia. It was a strategic move that allows us to explore and better understand China's radiopharmaceutical market and to build our own sales and marketing team in preparation for the commercialization of our pipeline products. We entered into a 15-year marketing services agreement with Marketing Services Customer in 2018, primarily because we considered the MPI market in China to have significant growth potential with reference to the MPI market in the U.S. and expected that a longer collaboration period would allow us to benefit from our upfront investment in market development and promotion. In addition, when we entered into the agreement in 2018, XTR004, our PET MPI product candidate, was at an early stage of development and was expected to require more than ten years to reach commercialization. Given that PET MPI using XTR004 is expected to provide better imaging performance than MPI using the Marketing Product, we viewed XTR004 as a product with significant market potential and expected the collaboration to enable us to accumulate relevant market and commercialization experience and facilitate a smooth transition to the future commercialization of XTR004. Specifically, we provide academic marketing services, such as organizing academic conferences and conducting medical educational trainings, for the Marketing Product within the agreed cooperation area, namely, the road transportation radius of the Marketing Product. We are entitled to receive marketing fees based on our actual workload. The marketing fees are to be paid annually. We guarantee that the sales volume of the Marketing Product will increase annually at the agreed rate. If we fail to meet the agreed sales growth targets for two consecutive years, the Marketing Services Customer has the right to require us to pay a fixed-amount penalty. During the term of the marketing service agreement, we had not triggered any default due to failure to meet sales targets for two consecutive years and thus had not been required to pay a fixed-amount penalty. Pursuant to the relevant agreements, unless agreed by us, the Marketing Services Customer shall not commission a third party to provide marketing services for the Marketing Product, while we shall not promote similar products from a third party within the agreed cooperation area.

The gross losses from our marketing services in 2024 and 2025 were primarily attributable to the relatively low marketing fees under the agreement and higher-than-expected costs incurred in providing such services. We accepted the relatively low fee arrangement given our limited choice in the radiopharmaceutical market in 2018, when there were limited radiopharmaceutical products and market participants, as well as our strategic objective of developing an experienced radiopharmaceutical sales and marketing team for the future commercialization of our own products. In addition, the development of the radiopharmaceutical market required greater-than-expected investments in personnel, academic conferences, clinical education and market cultivation, resulting in higher service costs. In 2025, we commenced the commercialization of our own product, XTR005 (^{18}F-Florbetaben Injection) under the trade name 歐韋寧®. As more of our products are expected to be commercialized in the future, we terminated the aforementioned marketing service agreement with Customer C in August 2026. We did not have any other existing business transactions or collaboration arrangements with Customer C as of the Latest Practicable Date.

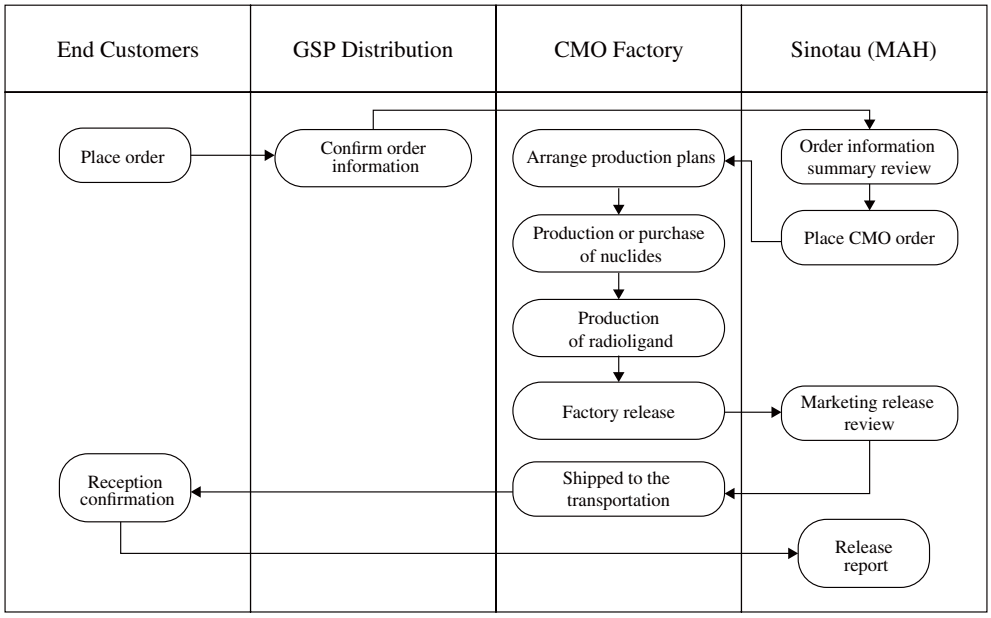
ROLES AND OBLIGATIONS OF PARTIES INVOLVED IN THE MANUFACTURING AND DELIVERY OF RADIOPHARMACEUTICALS

Due to the short half-life of radionuclides, radiopharmaceuticals require a just-in-time turnaround from the moment a personalized customer order is placed. This demands seamless coordination among all parties involved in manufacturing and delivery.

For diagnostic radiopharmaceuticals, end customers must place orders at least one week in advance. As the MAH, we schedule production roughly three days prior to manufacturing. On the production day, the accelerator generates the radionuclide, which is then transferred to the workshop for radiopharmaceutical formulation. Once production is completed, transportation is arranged, with delivery to the end customer typically within five hours.

For therapeutic radiopharmaceuticals, end customers must place orders at least one month in advance. We consolidate these orders and arrange for radionuclide procurement, which generally takes approximately 15 to 20 days from order to delivery. Upon receipt of the radionuclides, multiple batches of radiopharmaceuticals are immediately produced. Following production, transportation is arranged, with delivery to the end customer typically within 36 hours.

The following flow chart illustrates the manufacturing and delivery process for radiopharmaceuticals:



Source: Company data

PRODUCT RETURNS AND WARRANTIES

We generally do not accept any product returns, except for defective products. For defective products, we are fully responsible for the cost of return and replacement of these products. We provide warranties on our qualifications and products. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material compliant or product returns due to quality problems.

PRICING

We determine the prices of our products based on a number of factors, including our costs of production, prices of competing drugs (if applicable), our technology advantages, differences in features between our drugs and competing drugs, affordability of patients and changes in the levels of supply and demand. As of the Latest Practicable Date, our commercialized products were not included in NRDL. In 2025 and the first half of 2026, the sales volume of XTR005 was 3,780 units and 4,228 units, respectively, and our official list price is RMB9,820 per unit, with certain discounts available depending on the customer type and business arrangements. Regarding XTR008, its selling price will be set at no more than RMB160,000 per unit taking into consideration costs of alternative treatment options, market price of Lutathera® and patient affordability. Each unit of XTR008 contains no less than 200 mCi, and a full treatment course requires no less than 800 mCi. As of the Latest Practicable Date, Lutathera® had not received an NDA from the NMPA in China. Based on the public information, Lutathera® is currently priced at approximately RMB448,700 per unit in the U.S. Accordingly, we believe that XTR008 is expected to be competitively priced compared with Lutathera®.

INTELLECTUAL PROPERTY

Overview

Our continued success depends on our ability to obtain and maintain proprietary or intellectual property protection for our drug candidates, our core technologies and other know-how. We also have internal protocols in place to ensure that we operate without infringing, misappropriating or otherwise violating the proprietary rights of others, and to prevent others from infringing, misappropriating or otherwise violating our proprietary or intellectual property rights. We protect our proprietary and intellectual property by, among other methods, filing patent applications related to our proprietary technology, inventions and improvements. We also rely on trade secrets and know-how to develop and maintain our proprietary and intellectual property, which we generally seek to protect through contractual obligations with third parties.

As of the Latest Practicable Date, we had 28 registered trademarks in the PRC and two domain names, which we consider to be material to our business. As of the Latest Practicable Date, we held 129 registered patents including 120 registered patents in China, two registered patents in the U.S., and seven

registered patents in other jurisdictions and 120 patent applications including 52 patent applications in China, 13 patent applications in the U.S., 51 patent applications in other jurisdictions, and four patent applications under PCT. As of the Latest Practicable Date, for our Core Products, we held 25 registered patents, 23 of which are registered in China and two are registered in Japan, and 18 patent applications including 14 patent applications in China, two patent applications in the U.S. and two patent applications in Europe. For XTR008, as of the Latest Practicable Date, we were the sole owner of 18 patents and patent applications. As of the Latest Practicable Date, we in-licensed 18 registered patents and four patent applications, including one in-licensed patent in connection with our Key Product XTR006. For more details of our other intellectual property rights, please see Appendix VI. The following table summarizes the details of the material patents we held or in-licensed in connection with our Core Products, Key Products, and XTR005:

Product Name	Patent Name	Patent Type	Patentee	Inventors	Jurisdiction	Application Date	Patent Expiration[1]
XTR004	A pyridazinone compound containing PEGylated benzyltriazole and its preparation method and application	Invention	Our Company	ZHANG Xianzhong, FANG Wei and MOU Tiantian	China	2013-02-18	2033-02-18
XTR004	Compound I liquid composition, preparation method, and its use	Invention	Our Company	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	China	2022-07-04	2042-07-04
XTR004	Preparation method of liquid composition containing compound I and use thereof in myocardial perfusion PET imaging	Invention	Our Company	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	China	2022-07-04	2042-07-04
XTR006	Pyrrolo[2,3-c]pyridines as imaging agents for neurofibrillary tangles	Invention	Merck Sharp & Dohme Corp.[2]	ABBAS WALJI, HOSTETLER ERIC, GRESHOCK THOMAS, LI Jing, MOORE KEITH P, BENNACEF IDRISS, MULHEARN JAMES, SELNICK HAROLD, WANG Yaode, YANG Kun and FU Jianmin	China	2015-06-09	2035-06-09
XTR008[3]	A transfer device and method for transferring radioactive drug solution and use thereof	Invention	Our Company	DU Zetian, TIAN Jiale and YANG Guogui	China	2022-04-24	2042-04-24
XTR008[3]	An online filter membrane integrity testing device and method, and use thereof	Invention	Our Company	DU Zetian, HAO Jin, TIAN Jiale and YANG Guogui	China	2022-06-10	2042-06-10
XTR008[3]	Online filter membrane integrity testing device and method, and its applications	Invention[1] and Utility Model[1]	Our Company	DU Zetian, HAO Jin, TIAN Jiale and YANG Guogui	China	2022-06-10	2042-06-10/ 2032-06-10
XTR003	Liquid composition containing compound I, preparation method, and its use	Invention	Our Company	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	China	2022-06-23	2042-06-23
XTR003	A preparation method of a liquid composition of compound I and its use in myocardial metabolism PET imaging	Invention	Our Company	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	China	2022-06-23	2042-06-23
XTR003	A new process for modifying fatty acid-based PET reagent precursors	Invention	Our Company	XU Xinsheng and LIU Shuang	China	2017-04-17	2037-04-17
XTR004	Methods for the preservation of compound I and its applications	Invention	Our Company	YAN Han, HE Litao, and SONG Yujie	China	2022-04-12	2042-04-12
XTR004	Liquid composition of compound 1, preparation method therefor, and application thereof	Invention	Our Company	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	Japan	2023-07-04	2043-07-04
XTR004	Preparation method for liquid composition containing compound I and use in myocardial perfusion pet imaging	Invention	Our Company	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	Japan	2023-07-04	2043-07-04
XTR005	Method for producing F-18 labeled beta-amyloid ligand	Invention	Lantheus Biosciences Ltd.	Mathias Berndt, Matthias Friebe, Christina Hultsch, Fabrice Samson, Marianne Patt, Andreas Schildan, Christoph Smuda	China	2011-05-30	2031-05-30
XTR005	Method for production of F-18 labeled amyloid beta ligands	Invention	Lantheus Biosciences Ltd.	Mathias Berndt, Matthias Friebe, Fabrice Samson, Rainer Braun, Gunnar Garke, Marianne Patt, Andreas Schildan, Christoph Smuda	China	2011-05-30	2031-05-30
XTR005	Formulations suitable for pet imaging with hydrophobic PET agents	Invention	Lantheus Biosciences Ltd.	Carsten Olbrich, Michael Krause, Andreas Burkhard	China	2010-12-22	2030-12-22
XTR005	Formulations of fluorinated stilbene suitable for PET imaging	Invention	Lantheus Biosciences Ltd.	Carsten Olbrich, Michael Krause, Andreas Burkhard, Annett RICHTER, Rainer Braun	China	2012-06-21	2032-06-21

Notes:

(1) Patent expiration does not include any applicable patent term extensions.

(2) We in-licensed this patent from Cerveau pursuant to XTR006 Agreement. See "– Collaboration Arrangements – XTR006 Agreement." We have the exclusive rights related to this patent to develop, manufacture, and commercialize XTR006 in China.

(3) These patents are considered material because they protect key barriers of XTR008. For details regarding the key barriers, see "– Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Key Barriers of XTR008." "Online Filter Membrane Integrity Testing Device and Method, and Applications Thereof" has been granted as two patents: an invention patent, which will expire in 2042, and a utility model patent, which will expire in 2032.

The following table summarizes the details of our material patent applications in connection with our Core Products and Key Products:

Product Name	Patent Application Name	Patent Application Type	Applicant	Inventors	Application Date	Jurisdiction
XTR004	Liquid composition of compound I, preparation method therefor, and application thereof	Invention	Our Company	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	2023-07-04	U. S.
XTR004	Liquid composition of compound I, preparation method therefor, and application thereof	Invention	Our Company	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	2023-07-04	Europe
XTR004	Preparation method for liquid composition comprising compound I and use in myocardial perfusion pet imaging	Invention	Our Company	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	2023-07-04	U. S.
XTR004	Preparation method for liquid composition containing compound I and use in myocardial perfusion pet imaging	Invention	Our Company	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	2023-07-04	Europe
XTR008[(1)]	Lutetium (^{177}Lu) oxodotreotide injection and methods of preparing the same	Invention	Our Company	YANG Guogui; LIU Shuang; DU Zetian	2026-06-02	China
XTR008[(1)]	A stable radiopharmaceutical formulation and methods of preparing the same	Invention	Our Company	YANG Guogui; LIU Shuang; DU Zetian	2026-06-02	China
XTR008[(1)]	Methods of preparing high-purity 5-bromosalicylic acid and its use in preparing gentisic acid	Invention	Our Company	CHEN Xiaoxu; CHEN Wenhui; YANG Guogui; LIU Shuang	2026-06-06	China

Note:

(1) These patent applications are considered material because they aim to protect key barriers of XTR008. For details regarding the key barriers, see "– Product Candidates – Core Product – XTR008 – Registrational-stage ^{177}Lu-labeled SSTR-targeted Radioligand – Key Barriers of XTR008."

As of the Latest Practicable Date, we have adequate patents, especially including patents we owned, to protect our XTR008 from potential intellectual property infringement. In particular, as of the Latest Practicable Date, no valid compound patents for ^{177}Lu-DOTATATE existed in China. Given the current patent landscape and the high technological barriers associated with ^{177}Lu-DOTATATE, we have established a combination of protective measures to safeguard our XTR008-related know-how, inventions, technologies, and other proprietary information from infringement. For example, we have filed multiple core patent applications covering XTR008-related products, processes, and preparation methods. We have separately deployed peripheral patents to prevent possible trivial modifications of our technologies. Additionally, we have established a robust protection and management system, and we consistently monitor for any potential intellectual property infringements against us.

The term of an individual patent may vary based on the countries/regions in which it is granted. The actual protection afforded by a patent varies on a claim-by-claim and country-by-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extension or adjustment, the availability of legal remedies in a particular country/region and the validity and enforceability of the patent.

We rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our drug candidates and related technologies. We seek to protect our proprietary technologies and processes, in part, by entering into confidentiality arrangements with third-party contractors. We maintain contractual arrangements with our key employees and employees involved in research and development, stipulating that intellectual property conceived and developed during their employment is our exclusive property and they waive all relevant rights or claims to such intellectual property. We also have established relevant internal policy to ensure the confidentiality of our information.

Detailed FTO Analysis

An FTO analysis is a patent investigation, based on a search of patent databases, which is commonly used to determine whether any existing patents cover a company's product, and whether that product would infringe any existing patents. Our FTO analysis includes a thorough search of granted patents and patent applications in the Chinese Mainland and PCT patent applications that may potentially enter the national phase in the Chinese Mainland, relating to our Core Products, Key Products and XTR005 and an FTO analysis in the U.S. for XTR004. Based on the FTO analysis, we are not aware of any granted patents that may affect our rights to research, develop, or commercialize these product candidates in the Chinese Mainland and XTR004 in the U.S. Despite measures that we have deployed to prevent and avoid patent infringement, we cannot provide any assurance that all relevant third-party patents were identified or conflicting patents will not be issued in the future. For more information, see "Risk Factors – Risks Relating to Our Intellectual Property Rights".

One important detail to note is that, as of the Latest Practicable Date, 16 patent and patent applications were identified as relevant to XTR008 in terms of the formulation, the manufacturing process or the therapeutic indication, including one patent granted to Advanced Accelerator Applications International S.A. (Italy), a subsidiary of Novartis ("**AAA**"), three PCT applications filed by other third parties, and 12 patent applications, of which nine were filed by Novartis and its subsidiaries, including AAA, and three by other third parties. According to the FTO analysis performed by the IP Legal Adviser, among the 16 identified patent and patent applications, with respect to one granted patent and 13 patent applications, XTR008 does

not fall within the scope of protection of the granted patent (the parent patent of one of the two Concerned Patent Applications, as defined below) or the broadest potentially allowable scope of the pending patent applications in the Chinese Mainland. It is primarily because the formulation, the manufacturing process or the therapeutic indication of XTR008 differs from the technical features in the claims of the granted patent and the pending claims of patent applications and PCT applications. In particular, during the patent prosecution process, the scope of the claims of the granted patent was substantially narrowed from that originally sought in the corresponding patent application in order to secure patent issuance by the CNIPA. Accordingly, XTR008 does not fall within the scope of protection of the granted patent. In respect of the remaining two patent applications (the "**Concerned Patent Applications**") with one of them being a divisional application of the granted patent, based on the analysis below, our IP Legal Adviser is of the view that, although the manufacturing process of XTR008 falls within the current broadest pending claim scope of these applications, the risk that Concerned Patent Application will subsequently be granted and ultimately prevent the freedom to operate of the XTR008 process in Chinese Mainland is remote, and accordingly, the associated risk of patent infringement remains remote.

Specifically, one Concerned Patent Application holds the currently broadest pending patent claim scope that covers certain non-critical manufacturing process of XTR008. This Concerned Patent Application is a divisional application containing claims identical to those previously rejected by the CNIPA in its earlier-filed parent application, while the patent ultimately granted from the earlier-filed parent application (i.e., the aforementioned granted patent) contains claims with a substantially narrower scope of protection. As such, XTR008 does not fall within the scope of the protection of the granted patent. Also accordingly, the identical claims are highly unlikely to be granted without narrowing down the scope of the original disclosure. Based on the IP Legal Adviser's analysis of the pending claims as of the Latest Practicable Date, the risk that Concerned Patent Application will subsequently be granted and ultimately prevent the freedom to operate of the XTR008 process in Chinese Mainland is remote. Based on the prosecution history of the patent application and a prior art analysis, the IP Legal Adviser is of the view that (i) all pending claims of the Concerned Patent Application as of the Latest Practicable Date would be considered to lack inventiveness under Article 22.3 of the PRC Patent Law. This patent application is highly unlikely to be granted in its current status without narrowing its claimed scope of protection. Therefore, the likelihood that this patent application will ultimately result in a granted patent with claims broad enough to cover the current manufacturing process of XTR008 is remote; and (ii) the risk of its potentially restricting the commercialization of XTR008 with respect to the current manufacturing process is practically remote in the Chinese Mainland. Taking into account the status of the Concerned Patent Application as of the Latest Practicable Date and the prosecution history of the earlier-filed parent application, we estimate that, if the application is ultimately granted, such grant would occur no earlier than the end of 2028. Accordingly, we have formed a contingency plan at an estimated total cost of no more than RMB1.5 million to handle the worst-case scenario where this patent application is granted with the current broadest pending claim scope, resulting in XTR008 being determined to fall within its scope of protection. We plan to closely monitor the substantive examination of the Concerned Patent Application based on public information and initiate the implementation of the contingency plan if we determine that the potentially allowable scope of protection may cover the current manufacturing process of XTR008. We have initiated the preparatory work for feasibility and validation studies for implementing an alternative manufacturing process once process validation, quality comparability and stability testing are completed. This contingency plan is designed to circumvent potentially relevant patent claims by adjusting the sequence of certain manufacturing steps and deploying different manufacturing techniques. Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) and the relevant technical guidelines issued by the NMPA, and based on our assessment of the contingency plan for XTR008, we confirm that its implementation does not fall within the circumstances requiring additional clinical trials. In particular, the contingency plan does not involve any changes to the formulation, critical process parameters or quality standards of XTR008, and XTR008 is not a special formulation involving complex manufacturing processes under the applicable regulations. Based on the foregoing, both our PRC Legal Adviser and CIC are of the view that, although the NMPA retains the discretion to request additional information during the regulatory review process, the implementation of the contingency plan for XTR008 does not fall within the circumstances expressly requiring additional clinical trials under the Measures for the Administration of Drug Registration and the relevant technical guidelines issued by the NMPA. It may, however, be perceived as a post-approval CMC change under the Drug Administration Law of the PRC and the Measures for the Administration of Drug Registration, and require the submission of information including: (i) copy of drug approval certificate and annexes, (ii) supporting documents, (iii) inspection and testing information, (iv) revised quality standards, process details, package inserts, labels with revision notes, and (v) pharmaceutical study reports. It may take at least 15 to 18 months to implement the contingency plan and obtain necessary approvals, which, in certain cases, may result in intermittent disruption to the manufacturing of XTR008. Accordingly, under the worst-case scenario, we believe that sufficient time would be available for us to implement the contingency plan and that the implementation of such plan would not have a material adverse impact on the commercial supply of XTR008.

Furthermore, under the Patent Law of the People's Republic of China, the Measures for the Administration of Drug Registration and other applicable laws and regulations, where a company manufactures pharmaceutical products solely for the purpose of conducting clinical trials to obtain regulatory approval, such activities are not deemed to constitute patent infringement, even if such pharmaceutical products fall within the scope of protection of granted patents. In this regard, we confirm that XTR008 for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins and XTR008 for meningioma remain at the clinical development stage. Accordingly, the IP Legal Adviser is of the view that the manufacture of XTR008 solely for the purpose of supplying these clinical trials falls within the aforesaid exemption under applicable PRC patent laws and therefore would not constitute patent infringement. As such, we do not expect the implementation of the contingency plan to cause any interruptions, or even delays, in the conduct of these clinical trials. Based on the foregoing, our PRC Legal Adviser and CIC are both of the view that the ongoing clinical trials of XTR008 would not be delayed solely as a result of our implementation of the aforementioned contingency plan under the worst-case scenario.

The other Concerned Patent Application also holds the currently broadest pending claim scope that covers certain manufacturing processes related to XTR008. Both the office action issued by the CNIPA and the international search report associated with this Concerned Patent Application indicated that the Concerned Patent Application had little prospects of being granted as a patent. In particular, (a) the CNIPA indicated in its first office action that the relevant claims lacked novelty and/or inventiveness and that the patent application did not yet have prospect of being granted as a patent; (b) the written opinion issued during the international phase of the corresponding PCT application similarly found that the relevant claims lacked novelty and/or inventiveness. Also, based on the fact that a Notice of Deemed Withdrawal was issued to this patent application by the CNIPA in July 2026, in general, if the applicant fails to reinstate the application within two months from the receipt date of the Notice of Deemed Withdrawal, the patent application will be deemed withdrawn in the Chinese Mainland and will no longer proceed to further examination or be capable of maturing into a granted patent. Based on the IP Legal Adviser's experience, an official update on the status of the patent application, confirming whether it is officially withdrawn or has been reinstated, may be published on the official website of the CNIPA several months after the expiry of the deadline for requesting reinstatement following the issuance of a Notice of Deemed Withdrawal. As of the Latest Practicable Date, the IP Legal Adviser has not identified any action taken by the applicant of this Concerned Patent Application to seek reinstatement based on its independent public search. As such, based on the prosecution history of this patent application and a prior art analysis, our IP Legal Adviser is of the view that (i) it is highly unlikely that this patent application would be granted as a patent without narrowing its current claim scope, regardless of whether this Concerned Patent Application will be reinstated. Therefore, as of the Latest Practicable Date, the likelihood that the patent application will ultimately result in a granted patent with claims broad enough to cover the current manufacturing process of XTR008 is remarkably remote; and (ii) as of the Latest Practicable Date, the risk of this patent application restricting the freedom to operate of XTR008 with respect to its manufacturing processes in the Chinese Mainland is remarkably remote. Given the remarkably remote risk of XTR008 infringing the potential granted patent arising from this Concerned Patent Application, we have not considered it necessary to formulate a contingency plan at this stage.

Based on the foregoing, despite the finding that the manufacturing process of XTR008 falls within the current broadest pending claim scope of the Concerned Patent Applications, our IP Legal Adviser takes the position that the risk that Concerned Patent Application will subsequently be granted and ultimately prevent the freedom to operate of the XTR008 process in Chinese Mainland is remote, and accordingly, the associated risk of patent infringement remains remote. Having had the benefit of the FTO analysis and the advice from the IP Legal Adviser, and considering the facts that (i) differences exist between the technical features, be it the formulation, manufacturing process or therapeutic indication of XTR008, and the claimed scope of protection of the identified patent and patent applications, and (ii) the Company has a contingency plan which makes the potential infringement risk manageable, the Directors are of the view that none of the aforementioned patent and patent applications, whether individually or in aggregate, has any significant impact on the Group, and that even in the worst-case scenario, there will not be any material adverse impact on the Group's financial condition, results of operations and business prospects. Based on the due diligence performed by the Joint Sponsors and having taken into account (i) the findings, analysis and conclusions set forth in the FTO report, (ii) the views of the IP Legal Adviser, and (iii) the contingency plan of the Company, nothing has come to the attention of the Joint Sponsors that would reasonably cause them to cast doubt on our Directors' view above. For details related to the associated risks, please see "Risk Factors – Risks Relating to Our Intellectual Property Rights".

During the Track Record Period and up to the Latest Practicable Date, as advised by our IP Legal Adviser, we had not been involved in any proceedings in respect of any claims of infringement of any intellectual property rights which may have a material adverse effect on our business, financial condition and results of operations. However, there are risks if we fail to protect our intellectual property rights in the future. For risks relating to our intellectual property, see "Risk Factors – Risks Relating to Our Intellectual Property Rights."

CRO AND CDMO SERVICES

We have been providing CRO and CDMO services through our subsidiary, Glotope, since July 2023, including radiolabeling and process development, pharmaceutical research, formulation methodology development, and process validation. The CRO and CDMO services provided by Glotope to third-party customers are separate from the CRO and CDMO services required for the research and development of our Core Products, which are provided by external CROs and CDMOs engaged by us. In addition, the employees responsible for our CRO and CDMO services business are separate from those engaged in the research and development of our Core Products. Going forward, we intend to focus our resources on the research, development and commercialization of our product candidates, rather than the expansion of our CRO and CDMO services business. We provide CRO and CDMO services to not only increase our revenue base, but also accumulate industry experience which may support our own R&D innovation and production capacity improvement. In 2024, 2025 and the first half of 2026, we generated revenue of RMB27.2 million, RMB42.9 million and RMB21.0 million, respectively, from our CRO and CDMO services. Our customers mainly include radiopharmaceutical companies.

We enter into service agreements with these pharmaceutical company customers. These agreements generally include terms on product quality or service details, technical standards or methods, delivery, agreed price and payment, and product inspection and acceptance criteria. We usually perform our services within the prescribed time limit set out in each work order, usually on a project basis. Our customers are required to make milestone payments to us in accordance with a payment schedule agreed by the parties, generally tied to research or manufacturing progress.

CUSTOMERS

Our customers primarily consist of healthcare institutions and distributors which directly purchase pharmaceutical products and radionuclides from us, and pharmaceutical enterprises which purchase CRO/CDMO services and marketing services from us.

In 2024, 2025 and the first half of 2026, our revenue generated from our five largest customers in each year/period during the Track Record Period in aggregate accounted for 93.3%, 56.5% and 44.5% of our total revenue in the respective year/period, respectively, and revenue generated from our largest customer alone in each year/period during the Track Record Period accounted for 44.0%, 15.7% and 24.0% of our total revenue in each respective year/period, respectively. For contracts where we provide services, customers typically pay progress payments upon the achievement of agreed milestones. For contracts where we provide products, customers typically make payments after the goods have been accepted. We typically grant our customers credit terms ranging from 30 days to 280 days. Our contracts with customers typically include quality standards for services or products provided, as well as the return and exchange policy in the event that the products do not meet the agreed quality standards. The following table sets forth details of our five largest customers in each year/period during the Track Record Period:

Five Largest Customers for the Year Ended December 31, 2024	Customers' Background	Major Products/ Services Provided	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
				(RMB'000)	*(%)*
Customer A	Based in Jiangsu Province, China, a company mainly engaged in the manufacturing of drug and medical device	CRO/CDMO services	2023	19,380.2	44.0
Customer B	Based in Beijing, China, a company mainly engaged in pharmaceutical R&D	CRO/CDMO services	2024	7,547.2	17.1
Duality Biologics (Suzhou) Co., Ltd. (映恩生物製藥(蘇州)有限公司)	Based in Jiangsu Province, China, a company mainly engaged in R&D of antibody-drug conjugate, which is listed on Hong Kong Stock Exchange	IP out-licensing	2021	6,702.9	15.2
Customer C	Based in Beijing, China, a company mainly engaged in industrial application of nuclear technology	Marketing services	2018	6,458.6	14.7
Customer D	Based in Beijing, China, a company mainly engaged in pharmaceutical sales	歐達樂®	2023	1,044.7	2.4
Total				**41,133.6**	**93.4**

Five Largest Customers for the Year Ended December 31, 2025	Customers' Background	Major Products/ Services Provided	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
				(RMB'000)	*(%)*
Duality Biologics (Suzhou) Co., Ltd. (映恩生物製藥(蘇州)有限公司)	Based in Jiangsu Province, China, a company mainly engaged in R&D of antibody-drug conjugate, which is listed on Hong Kong Stock Exchange	IP out-licensing	2021	15,589.6	15.7
Customer B	Based in Beijing, China, a company mainly engaged in pharmaceutical R&D	CRO/CDMO services	2024	15,207.5	15.3
Customer A	Based in Jiangsu Province, China, a company mainly engaged in the manufacturing of drug and medical device	CRO/CDMO services	2023	13,473.9	13.6
Customer E	A comprehensive hospital based in Beijing, China	XTR005	2025	7,421.5	7.5
Customer F	Based in Tianjin, China, a company mainly engaged in the manufacturing of drug	CRO/CDMO services	2024	4,320.9	4.4
Total				**56,013.4**	**56.5**

Five Largest Customers for the Six Months Ended June 30, 2026	Customers' Background	Major Products/ Services Provided	Commencement of Business Relationship	Revenue Contribution	Percentage of Total Revenue
				(RMB'000)	*(%)*
Customer B	Based in Beijing, China, a company mainly engaged in pharmaceutical R&D	CRO/CDMO services	2024	14,682.1	24.0
Customer E	A comprehensive hospital based in Beijing, China	XTR005	2025	5,753.0	9.4
Customer G	A comprehensive hospital based in Guangzhou, China	XTR005	2025	2,404.4	3.9
Customer F	Based in Tianjin, China, a company mainly engaged in the manufacturing of drug	CRO/CDMO services	2024	2,392.7	3.9
Customer H	Based in the U.S., a company mainly engaged in pharmaceutical R&D	CRO/CDMO services	2024	2,040.8	3.3
Total				**27,273.0**	**44.5**

To the best of knowledge of our Directors, all of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest customers in each year/period during the Track Record Period.

SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of (i) suppliers of raw materials (such as radionuclides, precursors and kits) and equipment; (ii) CROs and CMOs; (iii) collaboration partners and (iv) construction service providers for our facilities.

Currently, we procure raw materials mainly from suppliers in China. We have established stable collaboration relationships with qualified suppliers for raw materials, which we believe have sufficient capacity to meet our demands. Nevertheless, we believe that adequate alternative sources for such supplies exist. We select our suppliers by considering their qualifications, compliance with relevant regulations and industry standards, manufacturing facilities, production quality, prices, business scale, market share, reputation, and after-service quality. During the Track Record Period, we did not experience any material disputes with suppliers, difficulties in procurement, or interruptions in our operations due to a delay in delivery of raw materials. See "– Research and Development – Collaboration with Third Parties" for details on our relationships with the CROs and "– Manufacturing – Collaboration with Third Parties" for details on our relationships with the CMOs.

In 2024, 2025 and the first half of 2026, our purchases from our five largest suppliers in each year/period during the Track Record Period in aggregate accounted for 26.1%, 21.9% and 20.1% of our total purchases in the respective year/period, respectively, and purchases from our largest supplier alone in each year/period during the Track Record Period accounted for 6.4%, 6.7% and 6.4% of our total purchases in each respective year/period, respectively. For service suppliers, we typically pay progress payments upon the achievement of agreed milestones. For product suppliers, we typically make payments after the goods

have been accepted. Suppliers typically grant us credit terms ranging from 30 days to 90 days. Our contracts with suppliers typically include quality standards for services or products provided, as well as the return and exchange policy in the event that the products do not meet the agreed quality standards. The following table sets forth details of our five largest suppliers in each year/period during the Track Record Period:

Five Largest Suppliers for the Year Ended December 31, 2024	Suppliers' Background	Major Products/ Services Supplied	Commencement of Business Relationship	Purchase Amount	Percentage of Total Purchase
				(RMB'000)	*(%)*
Shanghai Depu Biopharmaceutical Technology Co., Ltd. (上海德浦生物醫藥科技有限公司)	Based in Shanghai, China, a company mainly providing CRO services	CRO services	2021	10,008.5	6.4
Supplier A	Based in Jiangsu Province, China, a company mainly engaged in construction	Construction services	2022	8,817.4	5.6
Supplier B	Based in Israel, a company mainly engaged in nuclear medicine	Radioisotope	2021	7,845.6	5.0
Supplier C	Based in Beijing, China, a company mainly providing radiopharmaceuticals and CDMO services	CMO services and equipment	2020	7,173.4	4.6
Supplier D	Based in Guangdong Province, China, a company mainly engaged in pharmaceutical R&D and providing CRO and CDMO services	CRO services	2021	6,987.4	4.5
Total				**40,832.3**	**26.1**

Five Largest Suppliers for the Year Ended December 31, 2025	Suppliers' Background	Major Products/ Services Supplied	Commencement of Business Relationship	Purchase Amount	Percentage of Total Purchase
				(RMB'000)	*(%)*
Supplier E	Based in Zhengzhou, Henan Province, a state-owned company primarily focuses on real estate development and management	Construction services	2023	19,611.3	6.7
Supplier C	Based in Beijing, China, a company mainly providing radiopharmaceuticals and CDMO services	CMO services and equipment	2020	13,316.6	4.6
Supplier F	Based in Berlin, Germany, a company engaged in the research and production of PET radiopharmaceuticals	In-licensing	2017	10,875.9	3.7
Sichuan Da'an Construction Engineering Co., Ltd. (四川大安建築工程有限責任公司)	Based in Sichuan Province, China, a company mainly engaged in construction	Construction services	2022	10,601.2	3.6
Shanghai Depu Biopharmaceutical Technology Co., Ltd. (上海德浦生物醫藥科技有限公司)	Based in Shanghai, China, a company mainly providing CRO services	CRO services	2021	9,563.2	3.3
Total				**63,968.2**	**21.9**

Five Largest Suppliers for the Six Months Ended June 30, 2026	Suppliers' Background	Major Products/ Services Supplied	Commencement of Business Relationship	Purchase Amount	Percentage of Total Purchase
				(RMB'000)	*(%)*
Supplier F	Based in Berlin, Germany, a company engaged in the research and production of PET radiopharmaceuticals	In-licensing	2017	10,472.6	6.4
Supplier C	Based in Beijing, China, a company mainly providing radiopharmaceuticals and CDMO services	CMO services and equipment	2020	6,820.4	4.1
Shanghai Depu Biopharmaceutical Technology Co., Ltd. (上海德浦生物醫藥科技有限公司)	Based in Shanghai, China, a company mainly providing CRO services	CRO services	2021	6,600.1	4.0
Supplier G	Based in Beijing, China, a company mainly engaged in research, production and marketing of radioisotope	Radionuclide supply	2022	4,690.7	2.8
Supplier H	Based in the U.S., a company mainly engaged in radionuclide supply and CDMO services	Radionuclide supply	2025	4,590.2	2.8
Total				**33,173.9**	**20.1**

To the best of knowledge of our Directors, all of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers in each year/period during the Track Record Period. In addition, we believe that we have adequate alternative sources for such suppliers, and we have developed alternative sourcing strategies to decrease our reliance on existing suppliers. We will establish necessary relationships with alternative sources based on our assessment on the risk of supply continuity.

BUSINESS ACTIVITIES IN RELATION TO REGION AND ENTITIES SUBJECT TO INTERNATIONAL SANCTIONS AND ENTITY SUBJECT TO EXPORT CONTROLS

In order to assess our compliance with applicable international sanctions and export control laws and regulations during the Track Record Period and up to the Latest Practicable Date, our International Sanctions Legal Advisor screened our customers and suppliers list against relevant sanctions and export control lists maintained by the United States, the United Kingdom, the United Nations and Australia, the European Union, Japan and other relevant jurisdictions, and assessed the regulatory implications of any listing and the relevant transactions conducted with such counterparties, taking into account the applicable restrictions, licensing requirements and other compliance obligations under the relevant sanctions and export control regimes.

Activities in relation to Export Controls Applicable to Our Business Dealings

Overview of Export Control

During the Track Record Period and up to the Latest Practicable Date, we transferred items to and procured items from one domestic Chinese collaborator, sold items to one domestic Chinese customer and procured items from two domestic Chinese suppliers, each of which was, at the time of the relevant transaction or subsequently, listed on (i) the METI MEU, and/or (ii) the Entity List, or (iii) the Unverified List. Please refer to "Regulatory Overview – Laws and Regulations in relation to International Sanctions and Export Control".

Given that our transactions with these domestic Chinese customer, suppliers and collaborator (i) were not related to the development of weapons of mass destruction, missiles or conventional weapons, (ii) did not involve items subject to the EAR, as advised by our International Sanctions Legal Advisor, our transactions did not require an export license granted by the METI, a license granted by the BIS or an end-user statement from any entity listed on the Unverified List. As advised by our International Sanctions Legal Advisor, our transactions did not represent a violation of the applicable export control laws and regulations.

Domestic Chinese Collaborator – Entity A/INPC

During the Track Record Period and up to the Latest Practicable Date, we collaborated with INPC, an internal subordinate branch of Chinese Academy of Engineering Physics, which has been listed on the METI MEU List since December 2023 and on the Entity List since June 1997. Our collaboration with INPC is primarily in connection with the production of lutetium-177 ("**^{177}Lu**"), which INPC has agreed to supply exclusively for use in our production of XTR008. Please see "Business – Collaboration Arrangements – XTR008 Agreements" for more details about our collaboration with INPC. In connection with such collaboration, we transferred a limited quantity of Russian-origin Ytterbium-176 to INPC as a precursor material for the production of ^{177}Lu. Our incurred costs in connection with our collaboration with INPC were approximately RMB3.1 million, RMB1.6 million and RMB1.3 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively, which were recorded as research and development expenses in our consolidated financial statements.

As advised by our International Sanctions Legal Advisor, given that (i) our collaboration with INPC was not related to the development of weapons of mass destruction, missiles or conventional weapons, and (ii) none of the items involved in our collaboration with INPC, including the Russian-origin Ytterbium-176 transferred to INPC for the production of ^{177}Lu, are subject to the EAR, our transactions did not require an export license granted by the METI or a license granted by the BIS, and therefore, as advised by our International Sanctions Legal Advisor, our collaboration did not represent a violation of the applicable export control laws and regulations.

Based on the advice of our International Sanctions Legal Advisor, we intend to continue our collaboration with INPC in strict compliance with all applicable International Sanctions and export control laws and regulations. In particular, we plan to continue to engage INPC for the contract manufacturing of XTR008 for clinical development and commercialization. As advised by our International Sanctions Legal Advisor, subject to strict compliance with all applicable International Sanctions and export control laws

and regulations, including our internal controls to screen the jurisdictional export control requirements for items involved in our continued collaboration with INPC in relation to the procurement of ^{177}Lu and the manufacturing of XTR008, such continued collaboration with INPC is not expected to result in a violation of export control laws and regulations applicable to INPC.

Domestic Chinese Customer – Entity B

Between March and April 2026, we sold radioactive nuclides to one domestic Chinese customer ("**Entity B**"). The total transaction amount was approximately RMB6,000. Entity B was listed on the Unverified List at the time of the transaction.

Prior to entering into the transaction, we were aware that Entity B had been listed on the Unverified List since October 2020. Having taken into account the one-off nature and immaterial amount of the transaction, and following consultation with our International Sanctions Legal Advisor, we assessed the relevant compliance risks and decided to proceed with the sales. As advised by our International Sanctions Legal Advisor, given that no items subject to the EAR were transferred to Entity B, our sales to Entity B did not require an end-user statement from an entity listed on the Unverified List, nor represented a violation of the applicable export control laws and regulations. Following completion of the sales in April 2026, we have ceased business dealings with Entity B and do not intend to enter into any new transaction with Entity B in the future.

Domestic Chinese Supplier – Entity C

Between February and June 2025, we procured sequencing services for our research and development from a domestic Chinese supplier ("**Entity C**"). The total transaction amount was approximately RMB2,390. At the time of the transaction, Entity C was not identified as a sanctioned or restricted party under our sanctions screening procedures.

Entity C was subsequently listed on the Entity List in September 2025. As advised by our International Sanctions Legal Advisor, given that no items subject to the EAR were transferred to Entity C, our procurement from Entity C did not require a license granted by the BIS nor represented a violation of the applicable export control laws and regulations. Since June 2025, we have ceased business dealings with Entity C and we do not intend to enter into any new transaction with Entity C in the future.

Domestic Chinese Supplier – Entity D

Between May and October 2025, we procured irradiation services from a domestic Chinese supplier ("**Entity D**"). The total transaction amount was RMB3,774. At the time of the transaction, Entity D was listed on the METI MEU List and the Entity List.

Prior to engaging Entity D, we were aware that Entity D had been listed on the METI MEU List and the Entity List. The procurement was made on an occasional basis for an urgent research and development project. Following a supplier sourcing process, we identified Entity D as the only service provider that could meet the project's technical requirements and timeline at the relevant time. Having taken into account the occasional nature and immaterial amount of the transaction, and following consultation with our International Sanctions Legal Advisor, we assessed the relevant compliance risks and decided to proceed with the procurement.

As advised by our International Sanctions Legal Advisor, given that (i) our procurement were not related to the development of weapons of mass destruction, missiles or conventional weapons, and (ii) no items subject to the EAR were transferred to Entity D, our procurement from Entity D did not require an export license granted by the METI or a license granted by the BIS, nor represented a violation of the applicable export control laws and regulations. Following completion of the procurement in October 2025, we have ceased our business dealings with Entity D and have established business relationship with a non-sanctioned alternative supplier. We do not intend to enter into any new transaction with Entity D in the future.

Sanctions

Primary Sanctions

During the Track Record Period and up to the Latest Practicable Date, we have not transacted with (i) any counterparties, or has any business presence, in the Comprehensive Sanctioned Countries, and (ii) specially designated nationals ("**SDNs**") listed on the Specially Designated Nationals and Blocked Persons List, also known as the SDN List. Therefore, as advised by our International Sanctions Legal Advisor, our activities did not constitute Primary Sanctioned Activities as defined in Chapter 4.4 of the Guide for New Listing Applications issued by the Stock Exchange (the "**Guide**").

Secondary Sanctions

U.S. has also enacted "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons, including transactions with SDNs or certain sectors in sanctioned countries, even when the transaction has no U.S. nexus. Providing material support for such activities and sectors, or engaging in "significant" transactions with SDNs can be viewed as engaging in Secondary Sanctionable Activities as defined in Chapter 4.4 of the Guide. Specifically, the U.S. has enacted secondary sanctions targeting non-U.S. persons who engage in certain transactions or activities involving designated sectors of the Russian economy or persons designated as SDNs in Russia. During the Track Record Period and up to the Latest Practicable Date, we had not transacted directly with any counterparties located in Russia. As advised by our International Sanctions Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, only the transactions involving Russia (i.e. the procurement of Russia-origin Ytterbium-176 from a non-sanctioned party and transfer to INPC) would give rise to secondary sanctions risks concerns.

Given that (i) the Russia-origin Ytterbium-176 was indirectly sourced from a non-sanctioned party, and we did not transact with any Russian SDNs, (ii) we do not have operations in Russia, and (iii) our products are medical products and are not intended for military or defence purposes, the risk is low that our procurement of Russia-origin Ytterbium-176 from a non-sanctioned party would result in secondary sanctions. Therefore, our International Sanctions Legal Advisor assessed whether our transfer of Russian-origin Ytterbium-176 to INPC could be subject to secondary sanctions.

Our collaboration with INPC is in line with the policy directive of General License 6D issued by OFAC. General License 6D is a general authorization issued by OFAC that permits certain transactions related to agricultural commodities, medicine, medical devices and specified medical-related activities that would otherwise be prohibited under applicable U.S. sanctions, subject to the conditions set out therein. Accordingly, our collaboration does not require a specific license from OFAC. Such collaboration relates to (i) the production, manufacturing, sale, transport, or provision of medicine, medical devices, replacement parts and components for medical devices, or software updates for medical devices, or (ii) clinical trials and other medical research activities. As advised by our International Sanctions Legal Advisor, our exposure to secondary sanctions risk is low with respect to the transfer of Russian-origin Ytterbium-176 to INPC.

Furthermore, based on the foregoing, and subject to strict compliance with all applicable International Sanctions or applicable export control laws and regulations, including our internal controls to screen the jurisdictional export control requirements for items involved in our continued collaboration with INPC in relation to the procurement of ^{177}Lu and the manufacturing of XTR008, as advised by our International Sanctions Legal Advisor, our exposure to secondary sanctions risk in respect of such collaboration is low.

Internal Control Measures on International Sanctions Risks

To monitor our risk exposure, we will continue to evaluate the sanctions risks prior to determining whether we should proceed with any business opportunities with regions or entities subject to International Sanctions going forward. We have undertaken to the Stock Exchange that we will not use the proceeds from the Global Offering, as well as any other funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Comprehensive Sanctioned Countries or any other government, individual or entity sanctioned by the U.S., the EU, the UN, the U.K., the U.K. overseas territories or Australia, including, without limitation, any government, individual or entity that is specifically identified on the SDNs List maintained by OFAC or other restricted parties lists maintained by the U.S., the EU, the UN, the U.K., the U.K. overseas territories and Australia that would cause us to violate International Sanctions.

Further, we have undertaken not to use the proceeds from Global Offering to pay any damages for terminating or transferring any contract that violates International Sanctions. In addition, we have undertaken not to enter into any future business that would cause us, the Stock Exchange, HKSCC, HKSCC Nominees or our Shareholders and investors to violate or become a target of International Sanctions or applicable export control laws and regulations. We will also disclose on the websites of the Stock Exchange and our Group respectively if we believe that the transactions our Group entered into in countries subject to International Sanctions or with Sanctioned Targets (as defined in the Guide) would put our Group or our Shareholders and investors at risks of being sanctioned, and in our annual reports or interim reports (i) details of any new activities in countries subject to International Sanctions or with Sanctioned Targets; (ii) our efforts on monitoring our business exposure to sanctions risks; and (iii) the

status of, and the anticipated plans for any new activities in countries subject to International Sanctions and with Sanctioned Targets. If we were in breach of such undertakings to the Stock Exchange, we would be subject to the risk of possible delisting of our Shares on the Stock Exchange.

In addition, we have established the Global Sanctions Policy, which regulates compliance with trade and economic sanctions. Our legal department is required to assume ultimate responsibility for ensuring that the Group remains in compliance with International Sanctions or applicable export control laws and regulations. Our legal department holds semi-annual meetings to monitor the Group's exposure to sanctions. Sanctions compliance procedures are in place, including know-your-customer procedures, and procedures to be followed when potential violations are identified. Furthermore, our International Sanctions Legal Advisor will provide sanctions-related training programs for our Directors, officers and other relevant personnel to help them assess potential sanctions risks in their day-to-day operations when necessary.

COMPETITION

The pharmaceutical industry is evolving and highly competitive. We face competition from other pharmaceutical companies and emerging biotechnology companies engaged in the research, development, production, marketing or sales of pharmaceutical products. Our products primarily compete with products that are indicated for similar conditions as our products on the basis of efficacy, safety, convenience, pricing and supply stability. For more information on the competitive landscape of our drug candidates, please see "Industry Overview" and "– Product Candidates."

We expect the competition will become more intensive in the future as additional players enter into the segments. The identities of our key competitors vary by product and, in certain cases, our competitors may have greater financial and research and development resources than us, may elect to focus these resources on developing, importing or in-licensing and marketing products in China that are substitutes for our products and may have broader sales and marketing infrastructure with which to do so. For potential impact of market competition, please see "Risk Factors – Material Risks Relating to Our Business – We face intense competition between XTR008, Lutathera® and other generic drug candidates of Lutathera® in Chinese Mainland and overseas markets, and our competitors may discover, develop or commercialize competing products faster or more successfully than we do."

We believe our continued success will depend on our following capabilities: the capability to develop innovative products and advanced technologies; the capability to apply technologies to all production lines; the capability to develop an extensive product portfolio; the capability to maintain a highly efficient operational model; the capability to attract, retain and cultivate talent; the capability to maintain high quality standards; the capability to obtain and maintain regulatory approvals; and the capability to effectively market and promote products.

HEALTH, SAFETY, SOCIAL AND ENVIRONMENTAL MATTERS

We acknowledge our environment protection and social responsibilities and are aware of the environmental, energy, climate-related and workplace safety issues that may impact our Group's business operation. We are committed to complying with environmental, social and governance ("**ESG**") reporting requirements upon the Listing.

We are subject to various environment, health and safety ("**EHS**") related laws and regulations in China. To ensure our compliance with applicable environmental protection, health and safety laws and regulations, we (i) have established various guidelines governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials wastes, and taken measures to ensure such guidelines are strictly enforced; (ii) inspect our equipment and offices regularly to identify and eliminate safety hazards; and (iii) keep health records for all employees and conduct health examinations during their time at the Company, especially for employees engaged in work involving occupational hazards.

During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant PRC environmental and safety laws and regulations in all material aspects, and we did not have any incidents or complaints which had a material adverse effect on our business.

Governance of Environmental and Social Matters

Our Board has overall responsibility for (i) overseeing and determining our Group's environmental, social, and climate-related risks and opportunities that impact our Group, (ii) establishing ESG related targets of our Group, (iii) adopting the ESG related policies, and (iv) reviewing our Group's performance in ESG matters.

We are subject to environmental-related and social related risks and climate-related issues. See "Risk Factors – Risks Relating to Government Regulations – We are subject to environmental protection, health and safety laws and regulations, and failure to comply with them could result in fines, penalties, or costs." We may adopt more ESG policies relating to social responsibility and internal governance as our Board deems fit. Our Board takes full responsibility to our ESG strategy and reporting. Our Board may assess the ESG risks and review our existing strategy, target and internal controls. Necessary improvements will be implemented to mitigate the risks. At the same time, we are committed to the sustainable growth and long-term development of the Company.

Risk Mitigation

We have fully integrated the concept of sustainable development into the core of our business strategy. Based on the ESG framework, we systematically identify key issues such as product responsibility, health and safety, employment, anti-corruption, and climate change. We conduct systematic assessments for each of these issues and develop a phased implementation plan for sustainable development. The relevant risks, potential impacts, and response measures are summarized as follows:

Risk	Potential impact	Mitigation measures
Product Responsibility. The company may incur legal liabilities, financial losses, and reputational risks due to product quality defects, safety issues, or non-compliance with regulatory requirements.	There are radiation safety risks during transportation, storage, and use of our products, which could potentially harm patients and healthcare professionals. In addition, our products may cause unknown adverse reactions. In the event of serious adverse events or quality defects, we may face risks such as product recalls and legal litigation, which could severely impact our reputation and business operation.	**Short-term**: Conduct investigations and assessments on quality issues, analyze pharmaceutical production, and cooperate with insurance companies to complete the claims process. **Mid-term**: Regularly organize reviews of material suppliers. **Long-term**: Ensure compliance with national laws, regulations, and our management systems in the procurement, use, and storage of radioactive isotopes.
Health and Safety. Our employees may suffer injuries or illnesses due to occupational hazards or safety incidents in the workplace.	Employees who are exposed to radioactive materials over the long term face the risk of occupational radiation exposure. Work environments such as radioactive isotope laboratories present radiation hazards, which could lead to health damage and occupational diseases for employees. Additionally, some of our experiments involve toxic and harmful substances. In the event of any occupational health or safety incident, we may face serious consequences, including employee injuries or fatalities, regulatory penalties, compensation liabilities, and damage to our reputation and business operation.	**Short-term**: Organize occupational health surveillance and management, regularly conduct occupational hazard assessments and employee occupational health examinations. **Mid-term**: Organize emergency response drills for accidents. **Long-term**: Our EHS Committee reviews and evaluates our EHS management system to ensure its suitability, adequacy, and effectiveness and hold EHS management review meetings regularly.
Employment. We may face compliance and reputational risks arising from our violations of labor laws or labor standards in the process of employee recruitment, management, and protection of employee rights.	We face intense competition for talent. The loss of key technical personnel may impact our R&D progress and weaken our competitive advantage. In terms of labor rights protection, failure to strictly comply with relevant labor laws could result in labor disputes, regulatory penalties, and reputational damage. Improper employment practices, unfair compensation, and poor working conditions may negatively affect employee satisfaction and our reputation, thereby undermining investor confidence.	**Short-term**: Implement core talent incentive programs and ensure labor compliance. **Mid-term**: Establish a compensation system based on a structured employee career development framework and build a standardized performance communication and feedback mechanism. **Long-term**: Establish clear links between employee performance and our strategy, goals and values, and ensure fair and reasonable employee performance evaluation.
Anti-corruption. We may face legal and reputational risks due to incidents of corruption, bribery, or other forms of misconduct occurring internally or in the course of business dealings.	Throughout the entire pharmaceutical value chain – from research and development to sales – there is potential exposure to improper transfer of benefits. In the event of corruption or bribery, we may face severe consequences such as criminal penalties and fines, which would significantly damage our reputation and business reputation.	**Short-term**: Ensure a rigorous and thorough recruitment and selection process, including comprehensive background checks. Employees have the responsibility and obligation to report any violations of our integrity and compliance policies, including fraud, corruption, money laundering, and bribery. Conduct anti-corruption training and case-based warning education covering laws and regulations related to anti-money laundering and anti-commercial bribery, along with analysis of typical cases. **Mid-term**: Conduct periodic integrity-related surveys and investigations with relevant stakeholders, including suppliers and customers. **Long-term**: Incorporate anti-corruption supervision results into performance evaluations. Establish integrity profiles for all department heads and subsidiary management at or above the deputy general manager level to ensure systematic, comprehensive monitoring and tracking. Implement an anti-bribery commitment mechanism for key departments and critical roles, requiring employees in sensitive positions to sign a No Bribery or Corruption Agreement with us. All customers and suppliers cooperating with us are required to sign a Business Partner Compliance Commitment Letter.

Risk	Potential impact	Mitigation measures
Climate Change. We may face physical risks caused by climate change and extreme weather, as well as transition risks arising from low-carbon transformation requirements.	Extreme weather events may affect the stability of our laboratories, manufacture facilities and supply chain. Under the carbon peaking and carbon neutrality goals. In addition, we may face rising energy costs and increasingly stringent environmental regulations, which may increase our operational expenses. Failure to effectively address climate-related risks and achieve emission reduction targets may lead to regulatory penalties, financing difficulties, and ultimately hinder our capacity for sustainable development.	**Short-term**: Actively respond to relevant local government policies and develop emergency response and disaster preparedness plans to ensure employee safety. **Mid-term**: Formulate an environmental management plan.

Compliance

We have adopted steps to comply with the latest best practice and standards native to the healthcare, biotechnology and advanced technology industries, including:

- ***Product Quality***. We strictly comply with relevant laws, regulations, and industry standards, including the Announcement by the NMPA on Direct Reporting of Adverse Drug Reactions by Marketing Authorization Holders, the Good Pharmacovigilance Practice, and the Guidelines for Pharmacovigilance Inspections. In accordance with these, we have established internal systems such as the Procedure for Managing Clinical Trial System Documents, the Charter of the Drug Safety Committee and the Standard Procedure for Evaluating Post-marketing Suspected Adverse Drug Reactions. These systems clearly define the responsible entities, workflows, and standards for pharmacovigilance, quality management, and safety monitoring to ensure that quality, safety and efficacy of our products are maintained throughout the entire product lifecycle.
- ***Product Innovation***. We strictly comply with laws and regulations such as the PRC Patent Law and the PRC Anti-Unfair Competition Law, and have established a three-tier protection system of "classified management – full-process monitoring – infringement accountability." This system is designed to firmly prevent and eliminate the loss of intellectual property resulting from improper practices. In addition, we have implemented internal policies such as the Intellectual Property Management System to standardize the entire R&D and innovation process, ensuring that technological achievements align with our sustainable development strategy.
- ***Supplier Management***. To continuously enhance the quality management level and achieve industry best practices, we have been steadily improving our supplier management system. We have established internal policies such as the Procedures for Classification Management of Material Suppliers and Supplier Assessment Process. We strictly follow the Supplier Assessment Process, utilizing performance results for feedback notification and tiered application mechanisms. Our sales personnel are responsible for compiling assessment results and issuing supplier assessment notices, clearly stating performance scores and corrective requirements. Assessment outcomes are also applied to adjust cooperation strategies, thereby standardizing and systematizing our supplier management.

Environmental Matters

Waste

We strictly comply with national regulatory requirements and have established internal policies such as the Environmental, Health and Safety Management System to minimize or eliminate the adverse environmental impacts of our production and operations.

For non-hazardous waste, we treat waste gas through activated carbon adsorption systems before emission, conduct pretreatment on wastewater prior to discharging it into municipal sewage treatment plants, sell general industrial solid waste to external vendors or arrange for manufacturer take-back programs, and delegate domestic waste disposal to municipal sanitation departments. For hazardous waste, we (i) store hazardous waste in special warehouse and managed by licensed third-party disposal contractors; (ii) conduct regular inspections of the special warehouse containing hazardous wastes, in order to make sure that respective containers are intact; and (iii) establish a ledger to record the name, nature, source, quantity, and input and output of the waste.

We monitor our hazardous waste on a periodic basis and make continuous efforts in working towards the target of reducing the hazardous waste discharge. Our hazardous waste (including medical waste, radioactive waste, laboratory waste liquid and spent activated carbon) discharge levels amounted

to approximately 12.5 tons, 15.1 tons and 7.0 tons in 2024, 2025 and the first half of 2026, respectively. Hazardous waste was transferred to the waste disposal company once we accumulated considerately large amount of waste. We require operational qualification from the third-party waste disposal company in accordance with relevant laws and regulations. The waste disposal company would issue written records for the transfer of hazardous wastes and we keep such records for our internal review and compliance. In 2024, 2025 and the first half of 2026, we incurred costs in relation to hazardous waste disposal of approximately RMB0.3 million, RMB0.3 million and RMB0.1 million, respectively. We will make continuous endeavors to take measures to protect the ecological environment during our business operation, so as to minimize adverse environmental impact.

Additionally, we have established stringent protocols for the handling of radioactive isotopes and waste. During procurement, utilization, and storage of radioactive isotopes, we implement comprehensive leakage prevention measures and maintain detailed inventory records for management. For solid radioactive waste, we enforce a 90-day temporary storage period followed by radiation level testing to verify compliance with decontrol criteria. Upon approval from the ecological and environmental regulatory authority, the waste is classified as hazardous waste and transferred to licensed disposal facilities. After confirming compliance through third-party testing and obtaining departmental authorization, the waste is discharged in strict accordance with regulatory standards. We have intensified hazardous waste management and instituted regular monitoring mechanisms while achieve the target to reducing hazardous waste emissions. Through experimental procedure optimization and operational efficiency improvements, we have successfully minimized radioactive waste generation, advancing our waste minimization objectives.

With respect to third-party service providers, we require CMOs and transportation service providers handling radioactive materials to maintain applicable qualifications and management systems, conduct qualification reviews and periodic on-site audits, and impose contractual requirements regarding the handling, storage, transportation and disposal of radioactive materials and waste. In particular, we conduct on-site quality audits of CMOs every six months. Radioactive materials and hazardous waste generated during clinical trials are handled and disposed of by the relevant hospitals in accordance with their applicable standard operating procedures.

Resource Consumption

To reach our goal for sustainable development, we oversee our environmental protection performance in various aspects, such as efficiency in the use of resources and energy consumption. We monitor our electricity and water consumption levels and implement measures to improve energy efficiency and water conservation. In 2024, 2025 and the first half of 2026, our electricity consumption was approximately 7,787.8 MWh, 7,690.2 MWh and 3,570.1 MWh, respectively, with our water consumption reaching approximately 52,028.4 tons, 36,091.0 tons and 26,114.2 tons, respectively.

Following the ESG evaluation system standards in China and the market practice of industry pioneers, we aim to avoid or reduce the adverse impact on the environment caused by our operations and services, formulate environmental management plans to continuously improve our energy consumption efficiency and ensure all of our operations comply with governmental environment-related regulations and requirements. Our current target is to establish a comprehensive ESG governance mechanism for our Company and the historical energy consumption levels during the Track Record Period will serve as a foundation for developing more relevant energy reduction strategies and settling appropriate reduction targets for us in the future.

Climate Change

In view of the nature of our business, to the best knowledge of our Directors, the climate change will not have any major impact on our business operation. In the case of extreme natural weather, we will actively respond to the relevant policies of local government, make contingency plans to ensure the safety of our staff. In the case of acute physical risks such as direct damage to assets and indirect impacts from supply chain disruption as a result of extreme weather events, we will make corresponding contingency and disaster preparedness plans, and we believe that we have the ability to deal with climate crisis. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material impact on our business operations, strategies or financial performance as a result of climate-related issues.

Our greenhouse gas emissions consist of Scope 1, Scope 2 and Scope 3 emissions. Scope 1 emissions mainly include the direct greenhouse gas emissions from our use of gasoline, diesel, natural gas, purchased heat, purchased steam. Scope 2 emissions primarily include the indirect greenhouse gas emissions from our usage of purchased electricity. Scope 3 emissions consist of indirect emissions outside of Scope 2 emissions that occur in our value chain. For Scope 1 greenhouse gas emissions, we generated

approximately 654.2 tons and 549.8 tons and 357.5 tons of CO_2 equivalent in 2024 and 2025 and the first half of 2026, respectively. For Scope 2 greenhouse gas emission, we generated approximately 4,477.6 tons and 4,408.5 tons and 2,036.3 tons of CO_2 equivalent in 2024 and 2025 and the first half of 2026, respectively. For Scope 3 greenhouse gas emission, we generated approximately 2,617.8 tons and 2,699.2 tons and 1,708.5 tons of CO_2 equivalent in 2024 and 2025 and the first half of 2026, respectively. In response to the target of carbon neutrality, we actively focus on reducing the greenhouse gas emissions generated during our operations.

Goals

Following the ESG evaluation system standards in China and the market practice of industry pioneers, we aim to avoid or reduce the adverse impact on the environment caused by our operations.

In setting targets for the KPIs, we have taken into account our respective historical levels during the Track Record Period, and has considered our future business expansion in a thorough and prudent manner with a view of balancing business growth and environmental protection to achieve sustainable development. We will make continuous efforts in working towards the target of reducing our electricity and water consumption, and gas emissions discharge per ten thousand dollars of expense.

Specifically, the Company targets to achieve by 2028: (i) a 3% reduction in electricity consumption intensity (kWh/RMB10,000 revenue), (ii) a 3% reduction in water consumption intensity (tons/RMB10,000 revenue), and (iii) a 3% reduction in Scope 1 and Scope 2 greenhouse gas emission intensity (tCO_2e/RMB10,000 revenue).

Social Matters

Anti-Discrimination

We have policies on compensation and dismissal, equal opportunities and anti-discrimination. If our employees encounter any unequal discrimination, they should seek immediate assistance from either their department head, human resources department or our management team. We will immediately follow up, investigate, and, if necessary, report to the law enforcement authorities.

Safety

We place a high priority on patient safety and have put in place a number of relevant systems and measures, including:

- We attach great importance to product quality assurance, establish a pharmacovigilance system covering the entire life cycle of products, and set up a product safety committee consisting of experts from the Pharmacovigilance Department, the Medical Department, the Manufacturing Department, and other relevant departments, which is in charge of the overall risk assessment and management of product safety.
- Before the use of our products and/or product candidates, healthcare professionals will conduct a comprehensive assessment of the patient's physical condition, including liver and kidney function, blood routine and other indicators of the test, learn about the patient's history of allergies and disease, to determine the patient's suitability for the use of radiopharmaceuticals.
- We equip patients with the necessary protective gear, including lead coats, lead caps and lead bibs, and set up shielding facilities, such as lead screens, in places where radioactive products are injected to minimize the radiation dose to which the patients themselves are exposed, as well as the radiation impact on the surrounding environment. In addition, we control the duration of stay of the subjects in the places where the radioactive products are used according to the requirements of the half-life of different nuclides, so as to minimize the unnecessary exposure time. At the same time, on the premise of ensuring smooth medical operations, we keep patients at an appropriate distance from the radioactive sources to reduce the radiation dose.

We have adopted and maintained a series of rules, standard operating procedures and measures to maintain a healthy and safe environment for our employees, including:

- We follow the general guideline of "Safety First, Prevention First, Comprehensive Management" and formulate internal systems such as Environment, Health and Safety Management System, Measures for the Investigation and Management of Hidden Troubles in Production Safety and Production Safety Responsibility System. These systems and measures clarify the production safety responsibilities of each position, aiming at preventing and controlling production safety accidents and safeguarding the lives, health and safety of employees.

- We strictly follow relevant laws and regulations, such as Law of the People's Republic of China on Prevention and Control of Radioactive Pollution and Regulations on the Safety and Protection of Radioisotopes and Radiation Devices, and have formulated procedures such as Operating Procedures for the Use of Radioactive Substances, Operating Procedures for Animal Experimentation in Radioisotope Laboratories and Measures for the Management of Safety Education and Training, so as to continually strengthen the whole process of radioactive operation control. We equip laboratories with radiation dose rate monitoring equipment for radiation levels in the premises to ensure the safe and controllable use of radioactive substances.
- We carry out regular safety hazard inspections, including daily, special and holiday inspections, as well as safety emergency drills and exercises to comprehensively improve the effectiveness of risk prevention and control and the ability to respond to emergencies.

During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant PRC laws and regulations related to patient safety and employee work safety in all material aspects.

Data Protection

We have established policies and internal controls relating to the collection, storage, use, processing and cross-border transfer of subject and clinical trial data, including the following:

- *Subject and clinical trial data.* We have appointed an officer to oversee data protection and provide regular data security training to our employees. We have formulated the Data Security Management Policy, which sets out clear specifications for the full lifecycle of data processing, including but not limited to data collection, storage, processing, usage, transfer, disclosure, retention and destruction. With respect to personal information of subjects collected in clinical trials, we obtain informed consent from clinical trial subjects and conduct ethical reviews for data collection, apply de-identification measures, and maintain data classification, backups and audit trails. We strictly comply with applicable laws and regulations, and only receive and use deidentified personal information. The original identifiable information of subjects is independently stored and managed by clinical research centers, and the data held by us cannot be used to directly identify the true personal information of relevant subjects. For the processing, use and disclosure of subjects' personal information, we strictly restrict such activities to the extent permitted by laws and regulations and authorized by the subjects' informed consent, and only process such information for clinical trial research purposes. To strengthen the security of personal information in storage and transmission, we have deployed multi-layered security safeguards, including encryption of data in transit, encryption of data at rest, and network isolation for core data areas. In addition, we configure data access permissions in accordance with the principle of minimum necessity and strictly control the scope of information access. The EDC systems used by us for storing subjects' clinical trial data have completed the Cybersecurity Classified Protection Filing in accordance with the requirements of applicable laws and regulations. We retain personal information only as permitted by applicable laws and regulations and as authorized by the subjects' informed consent, and will delete or anonymize such personal information in accordance with applicable laws and regulations upon expiration of the retention period.
- *Third-party data management.* We incorporate data compliance requirements into our supplier qualification process, conduct due diligence on CROs and other service providers handling subject or clinical trial data, specify their data protection obligations in contractual arrangements and conduct periodic compliance audits. We have also established cybersecurity incident response procedures covering monitoring, response and post-incident review.
- *Cross-border transfer of personal data.* Up to the Latest Practicable Date, we have not conducted any cross-border transfer of subjects' personal information. For potential cross-border personal data transfer scenarios that may arise from clinical trial research needs in future operations, we will strictly follow the requirements of applicable laws and regulations: we will first establish the legal basis for cross-border transfer, conduct personal information protection impact assessments, and complete corresponding regulatory procedures under the professional guidance of PRC Legal Advisor, including but not limited to the filing of standard contractual clauses for cross-border transfer of personal information and security assessment for cross-border data transfer, to ensure full compliance of cross-border transfer activities throughout the process.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data privacy or cybersecurity incidents, nor have we been subject to any administrative penalties from regulatory authorities in relation to data security or cybersecurity matters. Our PRC Legal Advisor confirmed that, up to the Latest Practicable Date, we have complied in all material respects with applicable PRC laws and regulations relating to data security and cybersecurity.

EMPLOYEES

As of the Latest Practicable Date, we employed 781 employees, all of whom were based in China. The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date.

Function	Number of employees	Percentage
Research and development	253	32.4
Manufacturing	80	10.3
QA and QC	100	12.8
Sales and marketing	219	28.0
Others	129	16.5
Total	**781**	**100.0%**

We believe our ability to attract, hire, and keep quality employees is indispensable for our success. We primarily recruit employees through campus job fair, recruitment agencies and internal referral, taking into account factors including work experience, education, and professional competence. We offer competitive remuneration packages based on qualifications and experience. To ensure compliance with PRC labor laws, we enter into standard individual employment agreements with our employees, covering matters such as terms, wages, bonuses, employee benefits and grounds for termination. We also enter into confidentiality and non-competence agreements with our senior management and key technical personnel.

As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We offer employees a variety of professional development opportunities and encourage a performance-driven environment. We focus on creating a culture to encourage retention and engagement. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. We also provide training and development programs to our employees from time-to-time to achieve talent growth.

We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any strikes or labor disputes which have had a material effect on our business.

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for certain employees, primarily due to the lack of experience of our human resources personnel who did not fully understand and strictly follow the relevant laws and regulations, and partly due to the preference of certain of our employees to not contribute to such funds. Pursuant to the relevant PRC laws and regulations, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. We estimate that in the event that we were ordered by the relevant authorities to make up for the shortfalls of social insurance contributions during the Track Record Period, the maximum late fee penalties would be approximately RMB5.0 million as of June 30, 2026. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident fund do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, we may be subject to an order from the relevant PRC courts for compulsory enforcement. In 2024 and 2025 and the first half of 2026, our aggregate shortfall of social insurance and housing provident fund contributions were approximately RMB8.4 million, RMB9.8 million and RMB3.8 million, respectively. We believe that the total amount of shortfall for social insurance and housing provident fund contributions during the Track Record Period would not have a material adverse effect on our business. In addition, during the Track Record Period, we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees, primarily due to the preference of such employees to participate in local social insurance and housing fund schemes in their place of residency in which we did not establish any entity. Under the contracts entered into between such third-party human resources agencies and us, such agencies have the obligations to pay social insurance and housing provident fund contributions for our relevant employees. If the third-party human resource agencies fail to make timely and full payment of social insurance and housing provident fund contributions for our relevant employees in accordance with their contracts with us, we have the right to pursue corresponding liability for breach of contract against such agencies.

Considering that (1) we had obtained credit reports issued by competent authorities; (2) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant local government authorities requiring us to pay for the shortfalls or any overdue charges, nor had we been subject to any administrative penalties for the above-mentioned non-compliance; and (3) we conducted interviews with competent authorities, our PRC Legal Adviser is of the view that, in accordance with the regulatory policies currently in effect, the likelihood that the competent government authorities would impose fines on us due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period is remote, and therefore, no provision was made for such shortfall in the financial statements.

We have been progressively making social insurance and housing provident fund contributions in full for our employees, covering a substantial majority of our employees as of July 2026 and expected to cover all of our employees by July 2027. We have taken the following rectification measures to prevent future occurrence of such non-compliance: (i) we plan to strengthen legal compliance training to our employees to increase their awareness of the relevant PRC laws and regulations; and (ii) we plan to regularly consult external counsel to assess whether we are at risk of non-compliance with the relevant laws and regulations.

Pursuant to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》, any agreement between an employer and an employee for the non-payment of social insurance funds or any employee undertaking to waive such payment shall be determined as invalid by the people's court. Considering (i) the absence of prior agreements excluding social insurance payments, (ii) our PRC Legal Advisor's view that the interpretation does not expand penalty exposure or repeal existing laws, and (iii) there were no pending litigations or arbitrations is applicable to the aforementioned judicial interpretations as of the Latest Practicable Date, our Directors believe the aforementioned judicial interpretation would not have a material adverse effect on the Group's business, financial performance and position, and operations. Our PRC Legal Advisor is of the view that (i) the aforementioned judicial interpretation does not expand our penalty exposure; and (ii) the aforementioned judicial interpretation does not repeal the PRC social insurance laws and regulations currently in force.

Based on the above, the Joint Sponsors are of the view that such non-compliance would not have any material and adverse impact on the Group's financial position and operations.

PROPERTIES

Owned Land and Properties

As of the Latest Practicable Date, we held land use rights to four parcels of land in Wuxi, Jiangsu Province, Zhongshan, Guangdong Province, Mianyang, Sichuan Province and Tianjin Municipality with an aggregate site area of approximately 56,615.1 sq.m.. As of the Latest Practicable Date, our PRC Legal Advisors confirmed that we legally and validly owned the rights to use the aforementioned land parcels, with no existing ownership disputes.

As of the Latest Practicable Date, we owned three properties in Wuxi, Jiangsu Province, Zhongshan, Guangdong Province and Mianyang, Sichuan Province with an aggregate GFA of approximately 43,622.1 sq.m.. The properties are primarily used for production, warehousing, R&D and office purposes. As confirmed by our PRC Legal Advisors, we legally and validly own the aforementioned properties, with no existing ownership disputes.

As of the Latest Practicable Date, except our land use rights in Tianjin Municipality, all of our land use rights and owned properties were pledged to secure our bank borrowings.

Leased Properties

As of the Latest Practicable Date, we leased 26 properties with an aggregate GFA of approximately 12,956.5 sq.m. in China, which were primarily used as R&D facilities, manufacturing facilities, offices, dormitories and warehouses. The following table sets forth the details of our material leased properties:

No.	Location	Usage	GFA	End of Lease Term
			(sq.m.)	
1.	Beijing	R&D, warehouse and office	5,075.4	September 14, 2030
2.	Shanghai	R&D and office	1,543.5	January 9, 2033
3.	Chengdu, Sichuan	R&D and office	3,630.8	December 31, 2026
4.	Beijing	R&D and office	274.1	June 30, 2028
5.	Nanjing	Office	490.0	December 31, 2027

We typically initiate lease renewal discussions one to six months before the lease expires. In the event that any of our leases expire after the end of their respective lease term and we do not intend to or are unable to renew it, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. For example, we maintain insurance policies covering clinical trial liability and product liability. We expect to procure product liability insurance or similar insurance coverage for XTR008 in 2027. With respect to XTR004, we will consider procuring product liability insurance or similar insurance coverage, taking into account its future regulatory approval and commercialization timeline. See "Risk Factors – Risks Relating to our Operations – We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources." During the Track Record Period, we had not made or been the subject of any material insurance claims.

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Adviser has advised, that as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in the PRC. The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit	Issuing Authority	Holder	Grant date	Expiration date
Pharmaceutical Production License (藥品生產許可證)	Beijing Medical Products Administration (北京市藥品監督管理局)	Our Company	August 11, 2026	September 21, 2030
Radiopharmaceutical Production License (放射性藥品生產許可證)(1)	Beijing Medical Products Administration (北京市藥品監督管理局)	Our Company	September 20, 2026	February 6, 2027
Radiation Safety Permit (輻射安全許可證)	Beijing Ecology and Environment Bureau (北京市生態環境局)	Our Company	November 27, 2025	March 14, 2028
Radiopharmaceutical Production License (放射性藥品生產許可證)	Jiangsu Medical Products Administration (江蘇省藥品監督管理局)	Glotope Wuxi	January 7, 2026	April 5, 2029
Radiation Safety Permit (輻射安全許可證)	Ministry of Ecology and Environment of the PRC (生態環境部)	Glotope Wuxi	October 10, 2025	April 25, 2028
Radiopharmaceutical Business License (放射性藥品經營許可證)	Jiangsu Medical Products Administration (江蘇省藥品監督管理局)	Jiangsu Sinotau Pharmaceutical	July 16, 2025	August 4, 2029
Radiation Safety Permit (輻射安全許可證)	Wuxi Ecology and Environment Bureau (無錫市生態環境局)	Jiangsu Sinotau Pharmaceutical	August 7, 2023	August 6, 2028
Radiopharmaceutical Business License (放射性藥品經營許可證)	Guangdong Medical Products Administration (廣東省藥品監督管理局)	Guangdong Sinotau	November 1, 2025	September 3, 2028
Radiation Safety Permit (輻射安全許可證)	Ministry of Ecology and Environment of the PRC (生態環境部)	Guangdong Sinotau	November 2, 2026	November 1, 2031
Radiopharmaceutical Production License (放射性藥品生產許可證)	Guangdong Medical Products Administration (廣東省藥品監督管理局)	Guangdong Sinotau	October 23, 2026	September 28, 2027
Radiation Safety Permit (輻射安全許可證)	Sichuan Ecology and Environment Bureau (四川省生態環境廳)	Sichuan Sinotau Pharmaceuticals	November 12, 2024	November 11, 2029
Radiopharmaceutical Business License (放射性藥品經營許可證)	Sichuan Medical Products Administration (四川省藥品監督管理局)	Sichuan Sinotau Pharmaceuticals	February 12, 2025	February 11, 2030
Radiation Safety Permit (輻射安全許可證)(2)	Ministry of Ecology and Environment of the PRC (生態環境部)	Glotope Mianyang	November 5, 2025	December 26, 2026
Radiopharmaceutical Production License (放射性藥品生產許可證)	Sichuan Medical Products Administration (四川省藥品監督管理局)	Glotope Mianyang	November 21, 2025	November 20, 2030
Radiation Safety Permit (輻射安全許可證)	Sichuan Ecology and Environment Bureau (四川省生態環境廳)	Glotope	May 12, 2025	May 11, 2030

Notes:

(1) We have submitted renewal application and expect to receive the license by January 2027.

(2) We have submitted renewal application and expect to receive the license in December 2026.

We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. We will renew our expiring licenses in accordance with relevant laws and regulations. As advised by our PRC Legal Adviser, there is no material legal impediment in renewing such licenses, permits and approvals as they expire in the future as long as we are in compliance with applicable laws, regulations and rules.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any claims, disputes, litigations, arbitrations, or other legal proceedings which would have a material adverse effect on our business. During the same period, we were not involved in any non-compliance incidents which would, individually or in the aggregate, have a material adverse effect on our business as a whole.

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For risks and uncertainties relating thereto, see "Risk Factors – Risks Relating to Government Regulations."

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations and we recognize that risk management is critical to our success. For a discussion of various operational risks and uncertainties we face, see "Risk Factors." As such, we are committed to establishing, maintaining risk management and internal control systems that are appropriate for us, and we continuously strive to improve these systems. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

To monitor the ongoing implementation of risk management policies and corporate governance measures after the Listing, we have adopted or will continue to adopt, among other things, the following risk measures:

- Our Board will be responsible for (i) formulating our risk management policy; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedbacks; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Company; and (viii) reporting to our Audit Committee on our material risks.
- Our Audit Committee will oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Company.
- The relevant departments in our Company, including but not limited to the finance department, the legal department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Company and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. Our internal control policies set out a framework to identify, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation. Our special inspection personnel will monitor the implementation of our internal control policies, reports the weakness identified to our management and Audit Committee and follows up on the rectification actions.
- Our Directors (who are responsible for monitoring the corporate governance of our Company) with help from our legal advisers, will also periodically review our compliance status with all relevant laws and regulations after the Listing.
- We have established an Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Company.
- In order to monitor and mitigate the risks of potential patent infringement disputes and/or product liabilities, we adopt various measures, including (i) conducting intellectual property due diligence when in-licensing or acquiring patents and/or patent applications in relation to our product candidates; and (ii) conducting regular risk assessments and analyses of patents and patent applications in our industry, and taking appropriate actions immediately if any risks are identified.
- We have engaged Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice to our Directors and senior management team regarding matters relating to the Listing Rules. Our Compliance Advisor is expected to, upon our consultation, provide advice and guidance in respect of compliance with the applicable laws and Listing Rules including various requirements of directors' duties and internal control in a timely fashion.
- We plan to provide various and continuing trainings to update our Directors, senior management, and relevant employees on the latest laws and regulations from time to time with a view to proactively identify any concerns and issues relating to any potential non-compliance.
- Regarding anti-bribery and anti-kickback, we issued anti-bribery and anti-fraud policy which included compliance training for our personnel, particularly our sales and marketing personnel, and setting whistle-blowing system for non-compliance behavior and penalties for bribery and fraud cases.
- Our Directors believe that compliance creates value for us and dedicate to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we regularly conduct internal compliance checks and inspections, adopt strict accountability internally and conduct compliance training.

During the Track Record Period, we had regularly reviewed and enhanced our risk management system and internal control system. We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

BOARD OF DIRECTORS

Our Board consists of 15 Directors, with five executive Directors, five non-executive Directors and five independent non-executive Directors. Our Board serves a term of three years and is responsible for, and has general powers for, the management and conduct of our business.

The table below sets out certain information in respect of the members of our Board.

Name[1]	Age	Position	Date of appointment as Director	Date of joining our Group	Role and responsibilities
Executive Directors					
Mr. XU Xinsheng (徐新盛)	52	Executive Director, chairperson of the Board and general manager	November 1, 2007	January 24, 2005	Responsible for strategic planning, decision-making, resource coordination, compliance control and shareholder communication
Ms. TANG Yanmin (唐艷旻)	53	Executive Director and co-chief executive officer	March 24, 2016	March 24, 2016	Responsible for strategic planning and business implementation
Mr. WANG Peng (王鵬)	52	Executive Director and co-chief executive officer	April 27, 2025	July 1, 2016	Overseeing the overall research and development of the Group
Mr. CHU Wei (儲維)	52	Executive Director and vice president	March 6, 2015	March 6, 2015	Responsible for overseeing company strategy and KA and government relationships management
Mr. YU Wenbin (虞文彬)	44	Executive Director, secretary to the Board, chief financial officer and joint company secretary	April 27, 2025	January 1, 2022	Overseeing the general management center, including the board secretariat, finance, human resources, procurement, corporate management and legal affairs
Non-executive Directors					
Mr. CHEN Daojin (陳道金)	36	Non-executive Director	September 24, 2021	September 24, 2021	Responsible for providing strategic advice on the development of our Group
Dr. ZHANG Yingjie (張英傑)	42	Non-executive Director	March 6, 2015	March 6, 2015	Responsible for providing strategic advice on the development of our Group
Dr. YE Suofu (葉索夫)	36	Non-executive Director	August 3, 2023	August 3, 2023	Responsible for providing strategic advice on the development of our Group
Dr. HUANG Xu (黃序)	51	Non-executive Director	April 27, 2025	April 27, 2025	Responsible for providing strategic advice on the development of our Group
Mr. HAO Bonan (郝伯男)	39	Non-executive Director	April 22, 2022	April 22, 2022	Responsible for providing strategic advice on the development of our Group
Independent Non-executive Directors					
Ms. NI Hong (倪虹)	54	Independent non-executive Director	April 27, 2025 (effective upon Listing)	April 27, 2025 (effective upon Listing)	Responsible for providing independent advice and judgment to our Board
Dr. Jimmy Zhimin ZHANG	59	Independent non-executive Director	April 27, 2025 (effective upon Listing)	April 27, 2025 (effective upon Listing)	Responsible for providing independent advice and judgment to our Board
Mr. WU Haidong (吳海東)	62	Independent non-executive Director	April 27, 2025 (effective upon Listing)	April 27, 2025 (effective upon Listing)	Responsible for providing independent advice and judgment to our Board
Dr. YANG Yue (楊悅)	53	Independent non-executive Director	April 27, 2025 (effective upon Listing)	April 27, 2025 (effective upon Listing)	Responsible for providing independent advice and judgment to our Board
Dr. KANG Cailian (康彩練)	51	Independent non-executive Director	April 27, 2025 (effective upon Listing)	April 27, 2025 (effective upon Listing)	Responsible for providing independent advice and judgment to our Board

Note:

(1) Save as disclosed in "Relationship with Our Single Largest Shareholders Group," each of our Directors has no relationship with other Directors and senior management members of our Company as of the Latest Practicable Date.

Executive Directors

Mr. XU Xinsheng (徐新盛) is an executive Director, chairperson of the Board and general manager of our Group. He founded our Group in January 2005. He served as the executive Director of our Company from November 2007 to March 2015, the chairperson of the Board and a Director from March 2015 to April 2025, and was redesignated as an executive Director and chairperson of the Board in April 2025. Mr. Xu served as the chief executive officer of the Company since the founding of the Group until he was appointed as the general manager of the Company in April 2025. He has also been a director and chairperson of the board of Glotope since June 2019, and its manager since March 2023.

Mr. Xu has around 30 years of experience in pharmaceutical industry. Prior to founding our Group, Mr. Xu worked at Hainan Sanye Pharmaceutical Factory Co., Ltd. (海南三葉製藥廠有限公司), a pharmaceutical manufacturing company, from July 1995 to July 1997. Mr. Xu worked as a freelance pharmaceutical sales professional from July 1997 to March 2005. From March 2005 to July 2010, Mr. Xu served as the general manager at Hainan Sinotau Pharmaceutical Co., Ltd. (海南先通藥業有限公司) ("**Hainan Sinotau**"), a pharmaceutical sales company. Hainan Sinotau is a wholly owned subsidiary of Beijing Xiantongyuan Pharmaceutical Technology Co., Ltd. (北京先通源醫藥科技股份有限公司), a company divided from our Company in the Division. For details, see "History, Development and Corporate Structure – Corporate Development and Shareholding Changes of Our Group – Subsequent Capital Changes and Equity Transfers of Our Company – 8. Division and Capital Reduction in December 2019" in this prospectus.

Mr. Xu obtained his bachelor's degree in pharmaceutical analysis from Shenyang Pharmaceutical University in July 1995.

Ms. TANG Yanmin (唐艷旻) is an executive Director and co-chief executive officer of our Group. Ms. Tang joined our Group as a Director in March 2016. She took the position of vice president in April 2016 and reappointed as president and chief executive officer in January 2020. In April 2025, Ms. Tang was redesignated as an executive Director and co-chief executive officer of our Group. She also serves the chairperson of the board of Shanghai Sinotau since its establishment.

Ms. Tang has around 30 years of experience in the field of pharmaceuticals and pharmaceutical investment. Prior to joining our Group, Ms. Tang worked as a medical marketing executive at Sino-American (Tianjin) SmithKline Pharmaceutical Co., Ltd. (中美(天津)史克製藥有限公司), a pharmaceutical company, from September 1996 to December 2002. From March 2006 to May 2016, she also served as general manager at Beijing Cotimes Biotech Co., Ltd. (北京同為時代生物技術有限公司), a new drug research and development company, where she was responsible for overseeing operations, strategy, compliance and organizational leadership.

Ms. Tang is also an experienced investor with a dedicated focus on the healthcare sector, possessing deep industry insights and a proven investment strategy. From December 2002 to August 2015, Ms. Tang served as general manager at Asia Baokang Pharmaceutical Consulting (Beijing) Co., Ltd. (亞洲保康藥業諮詢(北京)有限公司), a company related to the Morningside Group focusing on investment consultation in the pharmaceutical industry, where she engaged in project investment and post-investment management and was responsible for overseeing operations, strategy, compliance and organizational leadership. From December 2015 to April 2025, she served as a partner and a consultant at Suzhou Qiyuan Equity Investment Management Partnership (Limited Partnership) (蘇州啓元股權投資管理合夥企業(有限合夥)), an investment vehicle of Qiming Venture Partners. She has also served as a non-executive director at (i) JACOBIO PHARMACEUTICALS GROUP CO., LTD, a company listed on the Stock Exchange (stock code: 1167.HK), from August 2018 to December 2024, (ii) Sinocelltech Group Limited (北京神州細胞生物技術集團股份公司), a company listed on Shanghai Stock Exchange (stock code: 688520.SH), from July 2017 to August 2024, (iii) Sino Biological Inc. (北京義翹神州科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 301047.SZ), from April 2018 to July 2024, and (iv) Abbisko Cayman Limited, a company listed on the Stock Exchange (stock code: 2256.HK) from June 2021 to December 2024.

Ms. Tang obtained her bachelor's degree in English pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in July 1996. She further obtained her EMBA degree from the Cheung Kong Graduate School of Business (長江商學院) in September 2008. She is also a pharmacist granted by Tianjin Pharmaceutical Group Corporation (天津醫藥集團總公司) in October 1997.

Ms. Tang was a supervisor of Medi Fast (Beijing) Hospital Management Consulting Co., Ltd. (快驗保(北京)醫院管理諮詢有限公司), a limited liability company established in the PRC, the license of which was revoked on October 12, 2010, and a director of SUNBIO Biotech Pharmaceutical (Tianjin) Co., Ltd. (沙東生物藥業(天津)有限公司), a limited liability company established in the PRC, the license of which was revoked on December 6, 2013, both due to cessation of business operations. Ms. Tang confirmed that she was delegated to these companies as non-executive director/supervisor to represent the investor and did not participate in the business operation of these companies, and as of the Latest Practicable Date, no claims have been made against her and she was not aware of any threatened or potential claims made against her as a result of the revocation of business license of the above companies.

Mr. WANG Peng (王鵬) is an executive Director and co-chief executive officer of our Group. He joined our Group in July 2016 as a senior vice president, and served as president of supervisory committee from March 2016 to March 2019. He holds the current position since April 2025. Mr. Wang also serves as a director of Shanghai Sinotau since its establishment, and a director of Beijing Sinotau Bio-pharmaceutical since September 2025.

Mr. Wang has extensive working experience in pharmaceutical and healthcare industry. From July 1996 to August 1998, he served as a pharmacist in Fuxing Hospital, Capital Medical University (首都醫科大學附屬復興醫院). From August 1998 to July 2001, he served as a research student at Peking Union Medical College (北京協和醫學院). From December 2002 to June 2004, he served as a reviewer in Huake Pharmaceutical Technology Co., Ltd. (華科醫藥科技有限公司), an intellectual property service provider, where he was responsible for pharmaceutical administration protection review. In June 2004, he joined the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA) (國家藥品監督管理局藥品審評中心), a governmental department responsible for drug evaluation, and served as a pharmaceutical reviewer, until he joined our Group in July 2016.

Mr. Wang obtained his bachelor's degree in English pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in August 1996, and further obtained his master's degree in pharmaceutical from Peking Union Medical College (中國協和醫科大學) (now known as Peking Union Medical College (北京協和醫學院)) in July 2001. He was certified as a licensed pharmacist by the NMPA in October 2002 and accredited as an associate chief pharmacist in December 2009.

Mr. CHU Wei (儲維) is an executive Director and vice president of our Group. He joined our Group as a Director and vice president in March 2015, and he was redesignated as an executive Director in April 2025. Mr. Chu also serves as the executive director and general manager of Jiangsu Sinotau Pharmaceutical since its establishment.

Mr. Chu has extensive experience in the pharmaceutical research and development industry. From September 1998 to March 2003, he worked in the comprehensive planning department at China National Pharmaceutical Industry Corporation (中國醫藥工業公司) (now known as China National Pharmaceutical Investment Co., Ltd. (中國醫藥投資有限公司), where his last position was manager. From October 2003 to August 2005, he was seconded to work at the Economic Operations Development of the National Development and Reform Commission (NDRC). From March 2003 to December 2010, he served as deputy general manager and board secretary at Sinopharm Industrial Co., Ltd. (國藥集團工業有限公司), a pharmaceutical research and development and manufacturing enterprise, where he was responsible overseeing strategy, research and development and board-related matters. Prior to joining our Group, in January 2011, he took the position of deputy general manager at Beijing Quinovare Medical Technology Co., Ltd. (北京快舒爾醫療技術有限公司) ("**Quinovare**"), a medical device development and manufacturing company, until December 2014. Currently, he is still a minor shareholder and director of Quinovare.

Mr. Chu obtained his bachelor's degree in pharmaceutics from Shenyang Pharmaceutical University (瀋陽藥科大學) in July 1995. He was certified as a pharmaceutical formulation engineer by the Professional Technical Title Evaluation Committee of China Pharmaceutical Industry Corporation (中國醫藥工業公司專業技術職務評審委員會) in August 2000.

Mr. Chu was a supervisor of Beijing Oriental Junru Pharmaceutical Technology Co. Ltd. (北京東方君儒醫藥科技有限責任公司), a limited liability company established in the PRC, the license of which was revoked on October 15, 2007 due to cessation of business operations. Mr. Chu confirmed that the company did not have any actual business operation and as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him as a result of the revocation of business license of the above company.

Mr. YU Wenbin (虞文彬 (former name: **虞文斌))**, is an executive Director, secretary to the Board and chief financial officer of our Group and a joint company secretary of our Company. He joined our Group in January 2022 and served as the vice president and secretary to the Board until he took the current positions in April 2025. He was appointed as an executive Director in April 2025. He is also a director of Glotope since July 2023.

Mr. Yu is a seasoned professional with extensive expertise in the securities and investments. From July 2008 to January 2013, Mr. Yu served at BOC International (China) Co., Ltd. (中銀國際證券股份有限公司), a securities company listed on Shanghai Stock Exchange (stock code: 601696.SH), and held the position of assistant vice president prior to his departure, where he was responsible for investment banking business development, project management, client relationship maintenance and team collaboration. From

February 2013 to May 2016, he served as director at J.P.Morgan First Capital Securities Co., Ltd. (第一創業摩根大通證券有限責任公司), where he was primarily responsible for client development, project planning and team management. Prior to joining our Group, from May 2016 to December 2021, he served as partner at Shenzhen Wuming Investment Management Co., Ltd. (深圳物明投資管理有限公司), a private equity investment firm, overseeing project screening, due diligence, investment decision-making, post-investment management and fund-raising activities.

Mr. Yu obtained his bachelor's degree in agricultural economics and management from Zhejiang University (浙江大學) in June 2005, and earned his Juris Master degree from Peking University (北京大學) in July 2008. In February 2007, he was granted the legal professional qualification certificate by the Ministry of Justice of the PRC.

Non-executive Directors

Mr. CHEN Daojin (陳道金) is a non-executive Director of the Company. He was appointed as a Director of the Company in September 2021 and was redesignated as a non-executive Director in April 2025. He is also a director of Glotope since January 2025.

Mr. Chen has substantial investment experience across the pharmaceutical and healthcare sectors. From June 2015 to April 2017, he served successively as research manager, chairperson assistant and board secretary at Beijing Sun-Novo Pharmaceutical Research Co., Ltd. (北京陽光諾和藥物研究股份有限公司), where he was responsible for research and development and investment and financing related works. He joined Shenzhen GTJA Investment Group Co., Ltd. (深圳市高特佳投資集團有限公司) ("**GIG**"), a private equity firm, and served as investment manager in the equity investment department from April 2017 to June 2018, managing pre- and post-investment activities. Since July 2018, he has been senior investment director at China Life Private Equity Investment Co., Ltd. (Beijing Branch) (國壽股權投資有限公司北京分公司), leading strategic investments, capital operations and risk control. Additionally, he has served as a director of Suzhou Sepax Technologies, Inc. (蘇州賽分科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688758.SH) since August 2021, and a director of Jiangsu Hanbon Science and Technology Co., Ltd. (江蘇漢邦科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688755.SH), since April 2022.

Mr. Chen obtained his bachelor's degree in pharmaceutical engineering from Anhui College of Chinese Medicine (安徽中醫學院) (now known as Anhui University of Chinese Medicine (安徽中醫藥大學)) in June 2012, and his master's degree in Chinese ethnic traditional medicine from Minzu University of China (中央民族大學) in June 2015.

Dr. ZHANG Yingjie (張英傑) is a non-executive Director of the Company. He was appointed as a Director of the Company in March 2015 and was redesignated as a non-executive Director in April 2025.

Dr. Zhang has built a distinguished career spanning law, investment and corporate leadership. From July 2009 to January 2012, he practiced as an attorney at Beijing King & Wood Mallesons (Shenzhen) Law Firm (北京市金杜(深圳)律師事務所), where he was responsible for providing legal advice and representing clients in litigation and arbitration cases. From January 2012 to October 2013, he served as an investment manager at CoStone Asset Management Co. Ltd. (基石資產管理股份有限公司) (formerly known as Shenzhen CoStone Venture Capital Management Co., Ltd. (深圳市基石創業投資管理有限公司)), where he was responsible for project screening, due diligence and post-investment management. He subsequently served as a partner at GIG from November 2013 to June 2015. He founded Shenzhen Wuming Investment Management (深圳物明投資管理有限公司) in June 2015 and has served as a partner, executive director and general manager since then, where he currently leads the strategy and investments.

Dr. Zhang obtained his bachelor's degree in bioengineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2006 and his juris master's degree from Peking University (北京大學) in July 2009. He obtained his doctoral degree in management from The Hong Kong Polytechnic University (香港理工大學) in March 2021. In February 2008, he obtained the legal professional qualification certificate issued by the Ministry of Justice of the PRC.

Dr. Zhang was a supervisor of Xinjiang Yuanjie Investment Management Co. Ltd. (新疆元杰投資管理有限公司), a limited liability company established in the PRC, the license of which was revoked on June 26, 2019 due to failure to disclose annual reports for three consecutive years. Dr. Zhang confirmed that the company did not have any actual business operation since its establishment and as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him as a result of the revocation of business license of the above company.

Dr. YE Suofu (**葉索夫**) is a non-executive Director of our Company. He was appointed as a Director of our Company in August 2023 and was redesignated as a non-executive Director in April 2025. Since November 2022, he has served as a senior vice president at Investment Team Five in CITIC Capital Equity Investment Co., Ltd. (中信金石投資有限公司), the specialized private equity investment fund subsidiary of CITIC Securities Company Limited (Stock Code: 600030.SH; 6030.HK), where he was responsible for equity investment activities. From October 2018 to September 2022, Dr. Ye worked at Shenzhen Langrun Investment Co., Ltd. (深圳朗潤投資有限公司).

Dr. Ye obtained his bachelor of science degree from the China Pharmaceutical University (中國藥科大學) in July 2012 through its elite Science Honors Program, and he earned his doctoral degree in chemical biology from Peking University (北京大學) in July 2017.

Dr. HUANG Xu (黃序) is a non-executive Director of our Company. He was appointed as a non-executive Director in April 2025.

From 2007 to 2010, Dr. Huang served as a principal consultant at Massachusetts Department of Public Health. From July 2010 to October 2013, Dr. Huang served as deputy general manager at Sinocelltech Ltd. (神州細胞工程有限公司), a biopharmaceutical company. He then joined Biossom Investment Management Co. Ltd (崇德弘信(北京)投資管理有限公司) as deputy general manager from December 2013 to March 2020. Since April 2020, he has been serving as managing director at CICC Capital Management Co., Ltd. (中金資本運營有限公司). He served as a postdoctoral fellow at Harvard Medical School from 2004 to 2007 and as a manager at Chimerigen Laboratories LLC from 2006 to 2010.

Dr. Huang obtained his bachelor's degree in biological chemistry from Beijing Normal University (北京師範大學) in July 1996. In May 2004, he earned his doctoral degree in biology from the University of South Carolina-Columbia (USA). He obtained the Securities Practitioner Qualification granted by the Securities Association of China in June 2021.

Mr. HAO Bonan (郝伯男) is a non-executive Director of our Company. He was appointed as a Director of our Company in April 2022, and was redesignated as a non-executive Director in April 2025.

From July 2012 to July 2017, Mr. Hao served as senior trust manager in the Capital Operations Department at Zhongrong International Trust Co., Ltd. (中融國際信託有限公司), where he led and participated in diverse investment and financing activities spanning traditional trust services to capital market investments. From December 2017 to October 2019, he served as General Manager at Wanxin Medical Technology (Beijing) Co., Ltd. (萬心醫療科技(北京)有限公司), where he was responsible for overall corporate management, business development and capital operations. From October 2019 to April 2025, he served as Fund Management Department IV director and has been serving as Fund Management Department IV vice general manager since May, 2025 at China Nuclear Industrial Funds Management Co., Ltd. (中核產業基金管理有限公司), leading fund management and equity investment activities. Since August 2025, Mr. Hao has been serving as a director of Hexin (Suzhou) Pharmaceutical Technology Co., Ltd. (核欣(蘇州)醫藥科技有限公司), a biotech company. Since October 2025, Mr. Hao has been serving as a director of NuRay Technology Co., Ltd. (新鴻電子有限公司), a company primarily engaged in X-ray source R&D and manufacturing.

Mr. Hao earned his Bachelor's degree in finance in 2010 and master's degree in law in June 2012 from Harbin Engineering University (哈爾濱工程大學). He obtained the Securities Practitioner Qualification granted by the Securities Association of China in March 2015, followed by the Fund Practitioner Qualification awarded by the Asset Management Association of China in December 2016. In March 2018, he obtained the Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC.

Independent Non-executive Directors

Ms. NI Hong (倪虹) was appointed as an independent non-executive Director in April 2025 with effect upon Listing.

Ms. Ni has extensive knowledge and experience in financial reporting, compliance and corporate governance of listed companies. In her early career, Ms. Ni worked at Merrill Lynch's investment banking division in New York. From 1998 to 2004, she served as a practicing attorney at Skadden, Arps, Slate, Meagher & Flom LLP in New York and Hong Kong, specializing in corporate finance. From August 2004 to January 2008, she served as the chief financial officer and secretary of Viewtran Group Inc. (formerly known as Cogo Group Inc.), a company previously listed on Nasdaq from March 2005 to October 2015

(stock code: VIEW), and subsequently served as its vice chairman until early 2009. From May 2014 to June 2022, Ms. Ni served successively as the chief investment officer and a non-executive director of Ingdan, Inc. (formerly known as Cogobuy Group), a company listed on the Stock Exchange (stock code: 400.HK).

Ms. Ni has served as an independent non-executive director at (i) Zhihu Inc., a company listed on the Stock Exchange (stock code: 2390. HK) and the New York Stock Exchange (stock code: ZH. NYSE), since March 2021, (ii) Acotec Scientific Holdings Limited, a company listed on the Stock Exchange (stock code: 6669. HK), since August 2021, (iii) uCloudlink Group Inc., a company listed on Nasdaq (stock code: UCL. Nasdaq) since June 2020 and (iv) VISEN Pharmaceuticals, a company listed on the Stock Exchange (stock code: 2561.HK) since April 1, 2021. She served as an independent non-executive director at Digital China Holdings Limited, a company listed on the Stock Exchange (stock code: 861.HK) from September 2010 to June 2024. From January 2008 to February 2026, Ms. Ni served as an independent director at ATA Creativity Global (formerly known as ATA Inc.), a company listed on Nasdaq (stock code: AACG. Nasdaq).

Ms. Ni obtained her bachelor's degree in applied economics and business management from Cornell University in 1994 and her Juris Doctor degree from the University of Pennsylvania Law School in 1998. She was admitted to the New York State Bar Association in April 1999.

Dr. Jimmy Zhimin ZHANG was appointed as an independent non-executive Director in April 2025 with effect upon Listing.

Dr. Zhang has more than 20 years of experience and expertise in both large pharmas and start-up companies, in strategy, business development, and operations, as well as in venture investments and board directorship. He is very well connected in the pharma and biotech worlds. Dr. Zhang is a mentor of the biotech incubator QB3 and Bakar Labs at University of California Berkeley and University of California, San Francisco and advises companies in the US, China and Korea on strategy, business development and other operational matters.

Dr. Zhang was the founder, chairman and CEO of gene and cell therapy companies AccuGen Group and Vinta Bio, Inc. (beginning from May 2020), driving their strategy, management, fiscal activity and marketing. From April 2018 to January 2020, he was a venture partner at Lilly Asia Ventures, a healthcare-focused venture capital firm, where he led investments, portfolio management, and startup incubation initiatives. From January 2014 to December 2015, he served as vice president of Transactions at Johnson & Johnson, where he led the transactional and partnership management activities and strategy in Asia Pacific region in pharmaceuticals, medical devices & diagnostics and consumer products, as well as fund relationship and partnership. From April 2012 to January 2014, he served as managing director of MSD Early Investments – Greater China at MSD R&D (China) Co., Ltd. (默沙東研發(中國)有限公司), a pharmaceutical and related healthcare technology company, where he was responsible for business development and venture investments. Dr. Zhang was previously SVP Business Development at Synergenics, a consultant at McKinsey & Company, a legal analyst in the Palo Alto office of Morrison & Foerster, etc..

In addition, Dr. Zhang was a founding member and former Chairman of BayHelix Group. He is also an adjunct professor and master's supervisor at the Yeehong Business School of Shenyang Pharmaceutical University (瀋陽藥科大學亦弘商學院) with his tenure beginning from June 2018.

Dr. Zhang obtained his bachelor's degree in biochemistry from Nanjing University (南京大學) in June 1987. He earned his PhD degree in biomedical sciences from The University of Texas Southwestern Medical Center in Texas in June 1996. In June 2002, he obtained his MBA degree from MIT Sloan School of Management. Dr. Zhang published in Cell, Nature, Neuron, and Journal of Biological Chemistry, and holds multiple patents, authored a Book Chapter "The Emergence and Transformation of China in Biotechnology" in Biotechnology Entrepreneurship 2nd edition published by Elsevier in 2020, and co-authored Harvard Business School case BeiGene and BeiGene Teaching Note, which were published by Harvard Business School Publishing.

Mr. WU Haidong (吳海東) was appointed as an independent non-executive Director in April 2025 with effect upon Listing.

From December 2008 to June 2019, Mr. Wu served at the Ministry of Industry and Information Technology of the PRC (MIIT) (中華人民共和國工業和信息化部), where he held the position of deputy director – general of the consumer goods industry department (消費品工業司副司長). From September

2020 to January 2024, he served as director at China National Biotech Group Company Limited (中國生物技術股份有限公司), a leading state-owned biopharmaceutical enterprise, where he was responsible for strategic planning. Mr. Wu currently serves as vice president of the China Pharmaceutical Enterprises Association (中國醫藥企業管理協會) since May 2021.

Mr. Wu obtained his bachelor's degree from Harbin University of Science and Technology (哈爾濱理工大學) in July 1985.

Dr. YANG Yue (楊悅) was appointed as an independent non-executive Director in April 2025 with effect upon Listing.

Dr. Yang currently serves as professor, principal investigator, doctoral supervisor and disciplinary leader in pharmaceutical regulatory science at Tsinghua University School of Pharmaceutical Sciences (清華大學藥學院). She served as an independent non-executive director at SHANGHAI JUNSHI BIOSCIENCES CO., LTD. (上海君實生物醫藥科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688180.SH) and the Stock Exchange (stock code: 1877.HK) from June 2024 to September 2025.

Prior to joining Tsinghua University in October 2020, she was a professor and doctoral supervisor at Shenyang Pharmaceutical University (瀋陽藥科大學) from December 2011 to September 2020. From Shenyang Pharmaceutical University, Dr. Yang obtained her bachelor's degree in pharmaceutical business management major in July 1995, master's degree in pharmacy in July 1998, and doctoral degree in pharmacy in January 2005.

Dr. KANG Cailian (康彩練) was appointed as an independent non-executive Director in April 2025 with effect upon Listing.

Dr. Kang possesses extensive experience spanning both the pharmaceutical and investment sectors. From July 2003 to July 2014, he served as lead reviewer at the Center for Drug Evaluation (CDE) of China's National Medical Products Administration (NMPA), responsible for drug evaluation and approval processes. From September 2014 to July 2021, he held the position of managing director of investment research at Cathy Fortune Investment Co., Ltd. (鴻商資本股權投資有限公司) ("**Cathy Fortune Company**"), overseeing healthcare sector investments. From May 2021 to March 2024, he served as executive president of Huasky Medical Group Co., Ltd. (華氏醫藥集團有限公司), a pharmaceutical R&D company, leading drug development programs. Since May 2024, he has returned to Cathy Fortune Company as managing director of investment research, managing private equity investments in the healthcare sector.

Additionally, Dr. Kang served or currently serves as an independent director at (i) Hunan Warrant Pharmaceutical Co., Ltd. (湖南華納大藥廠有限公司), a company listed on the Shanghai Stock Exchange, (stock code: 688799.SH), since October 2021; (ii) China Resources Double-Crane Pharmaceutical Co., Ltd. (華潤雙鶴藥業股份有限公司), a company listed on the Shanghai Stock Exchange, (stock code: 600062.SH), from June 2018 to July 2024; (iii) Hunan Nucien Pharmaceutical Co., Ltd. (湖南南新製藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688189.SH), from January 2018 to June 2023.

Dr. Kang holds a bachelor's degree in clinical medicine from University of Nanhua (南華大學). He obtained his master's and doctoral degree in internal medicine from Tongji Medical University (同濟醫科大學) in June 2003.

General

Save as disclosed in this section and the section headed "Statutory and General Information" in Appendix VI to this prospectus, each of our Directors has confirmed that:

(1) he/she has obtained legal advice referred to under Rule 3.09D of the Listing Rules on April 25 or 28, 2025 and understood his/her obligations as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange;

(2) as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules;

(3) he/she does not have any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

(4) he/she does not have any interests in the Shares within the meaning of Part XV of the SFO;

(5) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;

(6) other than being a Director of our Company, he/she does not have any relationship with any other Directors or senior management of our Company or substantial shareholders of our Company; and

(7) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long-distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and

(3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

Save as disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

(1) there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention to the Shareholders as of the Latest Practicable Date; and

(2) there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets out certain information in respect of the senior management of our Company.

Name[1]	Age	Position	Date of appointment as senior management	Date of joining our Group	Role and responsibilities
Mr. XU Xinsheng (徐新盛)	52	Chairperson of the Board, executive Director and general manager	January 24, 2005	January 24, 2005	Responsible for strategic planning, decision-making, resource coordination, compliance control and shareholder communication
Ms. TANG Yanmin (唐艷旻)	53	Executive Director and co-chief executive officer	October 24, 2020	March 24, 2016	Responsible for strategic planning and business implementation
Mr. WANG Peng (王鵬)	52	Executive Director and co-chief executive officer	April 12, 2025	July 1, 2016	Overseeing the overall research and development of the Group
Mr. YU Wenbin (虞文彬)	44	Executive Director, secretary to the Board, chief financial officer and joint company secretary	March 31, 2022	January 1, 2022	Overseeing the general management center, including the Board secretariat, finance, human resources, procurement, corporate management and legal affairs
Ms. LIU Shuang (劉爽)	50	Vice general manager	April 12, 2025	July 1, 2009	Responsible for leading the research and development in registration-stage pipeline
Dr. JIN Yun (金贇)	46	Vice general manager	March 31, 2022	December 1, 2021	Responsible for leading the research and development in drug discovery phase

Note:

(1) Save as disclosed in "Relationship with Our Single Largest Shareholders Group," each of our senior management members has no relationship with our Directors and other senior management members of our Company as of the Latest Practicable Date.

Mr. XU Xinsheng (徐新盛), see "– Board of Directors – Executive Directors" in this section for his biographical details.

Ms. TANG Yanmin (唐艷旻), see "– Board of Directors – Executive Directors" in this section for her biographical details.

Mr. WANG Peng (王鵬), see "– Board of Directors – Executive Directors" in this section for his biographical details.

Mr. YU Wenbin (虞文彬), see "– Board of Directors – Executive Directors" in this section for his biographical details.

Ms. LIU Shuang (劉爽) is our vice general manager responsible for leading the research and development of our Group in registration-stage pipeline. She joined our Group in July 2009 and served as senior vice president of our Group until she was appointed as the current position in April 2025. Ms. Liu also serves as the supervisor of Shanghai Sinotau since its establishment.

She has accumulated nearly 30 years of experience in the pharmaceutical industry. From September 1997 to June 2003, she served as formulation researcher at the China Pharmaceutical Research and Development Center (中國醫藥研究開發中心). Prior to joining our Group, from June 2003 to September 2006, she served as the head of the Chemical Drugs Department at Zhongfeng Tianheng Pharmaceutical Technology Development Co., Ltd. (中豐天恒醫藥技術開發有限公司). From January 2009 to July 2009, she served as the project management department manager at Dadao Longda (Beijing) Pharmaceutical Science and Technology Development Co., Ltd. (大道隆達(北京)醫藥科技發展有限公司), a pharmaceutical R&D company, overseeing project management and regulatory registration work.

Ms. Liu completed her associate college studies in pharmacy and graduated from Beijing Medical University (北京醫科大學) (now known as Peking University Health Science Center (北京大學醫學部)) in July 1997, and later completed bachelor top-up studies (part-time) in pharmacy and graduated from Peking University Health Science Center in July 2004.

Dr. JIN Yun (金贇) is a deputy general manager responsible for leading the research and development of our Group in drug discovery phase. He joined our Group in December 2021 and served as a senior vice president until he was appointed as a deputy general manager in April 2025. He is also the chief executive officer of Shanghai Sinotau since December 2021.

Dr. Jin has extensive experience in innovative drug discovery and development. From March 2008 to October 2017, he served as principal scientist and project leader at GlaxoSmithKline (Shanghai) R&D Co., Ltd. (葛蘭素史克(上海)醫藥研發有限公司), a pharmaceutical R&D company, where he contributed to innovative drug research programs. Prior to joining our Group, from October 2017 to November 2021, he held multiple leadership roles at Shanghai SIMR Biotechnology Co., Ltd. (上海賽默羅生物科技有限公司), a pharmaceutical R&D company, including director of medicinal chemistry, head of chemistry department and project leader. In these capacities, he managed the medicinal chemistry department and led innovative drug development initiatives. Dr. Jin is also a named inventor on 11 publicly disclosed patents.

Dr. Jin obtained his bachelor's degree in applied chemistry from Tongji University (同濟大學) in June 2002, and his doctoral degree in organic chemistry from Chinese Academy of Sciences, Shanghai Institute of Organic Chemistry (中科院上海有機化學研究所) in January 2008.

General

Save as disclosed in this section, each of our senior management members has confirmed that:

(1) he/she does not hold and has not held any other positions in our Company and any other major subsidiaries of our Company as of the Latest Practicable Date;

(2) other than being a Director and/or a member of our Company's senior management, he/she does not have any relationship with any Directors or any other senior management members of our Company or substantial shareholders of our Company;

(3) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and

(4) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long-distance learning or online courses.

JOINT COMPANY SECRETARIES

Mr. YU Wenbin (虞文彬), see "– Board of Directors – Executive Directors" in this section for details.

Ms. Tong Ka Kei (湯家錡) is one of the joint company secretaries of the Company. She is an assistant manager of the listing services department at TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies. She has over 8 years of experience in company secretarial profession. Ms. Tong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Tong received a bachelor's degree in business administration from Hong Kong Shue Yan University in July 2018.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Rainbow Capital (HK) Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date.

BOARD COMMITTEES

We have established the following committees on our Board: the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and Strategy Committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

The Company has established the Audit Committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. KANG Cailian, Dr. Jimmy Zhimin ZHANG and Ms. NI Hong, with Ms. NI Hong serving as the chairperson. Ms. Ni holds the appropriate professional qualifications and accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to reviewing and overseeing the financial reporting process, internal control and risk management systems of our Group and the audit process and providing advice and comments to our Board.

Our Company does not maintain a supervisory committee and the Audit Committee shall exercise the powers and duties of the supervisory committee as stipulated in the PRC Company Law upon Listing. Please see "Statutory and General Information – Further Information about Our Directors and Substantial Shareholders – 6. Cancellation of Supervisors" in Appendix VI to this prospectus for details.

Remuneration and Appraisal Committee

Our Company has established a remuneration and appraisal committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Ms. TANG Yanmin, Ms. NI Hong and Dr. YANG Yue, with Dr. Yang serving as the chairperson. The primary duties of the Remuneration and Appraisal Committee include, but not limited to making recommendations to the Board on our remuneration policy and structure for our Directors and senior management and determining the specific remuneration packages of each Director and senior management.

Nomination Committee

Our Company has established a nomination committee (effective from the Listing Date) with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Jimmy Zhimin ZHANG, Dr. YANG Yue and Mr. XU Xinsheng, with Mr. Xu serving as the chairperson. The primary functions of the Nomination Committee include, but not limited to reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board on matters relating to the appointment of Directors and management of Board succession.

Strategy Committee

Our Company has established the Strategy Committee with effect from the Listing, which consists of three Directors, namely Dr. KANG Cailian, Mr. WU Haidong and Mr. XU Xinsheng, with Mr. Xu serving as the chairperson. The primary functions of the Strategy Committee include, but not limited to, studying and advising on the long term strategy and operation plans of our Company. The Strategy Committee will assist the Board, in conjunction with our senior management, in addressing the overall mission, vision and strategic direction of our Company.

CORPORATE GOVERNANCE

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Xu currently performs the roles of the chairperson of our Board and the general manager of our Company. He served as the chief executive officer of our Company since its establishment and was redesignated as the general manager, which functions as the chief executive role of our Company. He has extensive experience in the business operations and management of our Group. He has been the executive Director and/or chairperson of the Company since November 2007. The Board believes that vesting the roles of both chairperson of the Board and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. For further information relating to our Company's corporate governance measures, please see "Relationship with our Single Largest Shareholders Group – Corporate Governance Measures" in this prospectus.

Board Diversity

We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management and corporation management, pharmaceutical R&D, investment, finance, strategic consultancy, patent, law and compliance, lecturing and teaching. They obtained degrees in various majors including pharmacy, applied economics and business management, biochemistry, business administration, etc. In addition, we have taken steps to promote and enhance gender diversity at all levels of our Company, and our Board currently comprises three female Directors and 12 male Directors. Furthermore, our Board has a relatively wide range of ages, ranging from 35 years old to 62 years old.

Our Board is of the view that our Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Company will take opportunities to increase the proportion of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices.

COMPENSATION OF DIRECTORS AND MANAGEMENT

The aggregate amount of remuneration which was paid to our Directors, supervisors and chief executive (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) for the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB17.4 million, RMB29.0 million and RMB3.7 million, respectively.

It is estimated that the aggregate amount of remuneration (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) payable to Directors for the year ending December 31, 2026 would be approximately RMB6.0 million under arrangements currently in force.

For the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, there were one, three and one Directors and/or chief executive among the five highest paid individuals, respectively. The aggregate amount of remuneration (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) which were paid by our Group to our five highest paid individuals (excluding Directors and chief executive officer) for the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB9.6 million, RMB4.3 million and RMB4.5 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, and (ii) no compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group. There has been no arrangement under which a Director has waived or agreed to waive any emoluments for the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026.

Except as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Group during the Track Record Period. For additional information on Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, see Notes 8 and 9 to the Accountants' Report.

OVERVIEW

As of the Latest Practicable Date, each of the Employee Shareholding Platforms held 1,775,726 Shares, 864,054 Shares, 799,557 Shares, 799,556 Shares and 361,711 Shares, representing approximately 3.01%, 1.46%, 1.35%, 1.35% and 0.61% of the total issued Shares of our Company, respectively. Each of them is managed by Mr. Xu as their respective general partner. Each of the AIC Parties, namely Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng, beneficially held 6,686,142 Shares, 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, representing approximately 11.32%, 2.46%, 1.96%, 1.47%, 1.25%, 0.46% and 0.32% of the total issued Shares of our Company, respectively.

Pursuant to the Concert Party Agreement, the AIC Parties have agreed to act in concert with respect to, inter alia, operation and management, business policies and investment plans and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this prospectus.

Therefore, the Single Largest Shareholders Group, comprising our Employee Shareholding Platforms and the AIC Parties, as a group of Shareholders, were collectively entitled to exercise the voting rights attaching to approximately 27.03% of the total issued Shares of our Company as of the Latest Practicable Date. Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the Single Largest Shareholders Group will be collectively entitled to exercise the voting rights attaching to approximately 24.33% of the total issued Shares of our Company. Accordingly, the Single Largest Shareholders Group, as a group of Shareholders, will not be regarded as our controlling Shareholders, but will remain as our single largest group of shareholders upon completion of the Global Offering.

DELINEATION OF BUSINESS FROM XIANTONGYUAN

As of the Latest Practicable Date, certain members of the Single Largest Shareholders Group, namely Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang and Wang Peng, together with Dr. Zhang, a non-executive Director of our Company, held in aggregate approximately 91.21% of the equity interest in Xiantongyuan, which principally engages in the non-radio pharmaceutical business. Xiantongyuan was established through the Division in 2019.

There is a clear delineation between the businesses of Xiantongyuan and the Group. The table below sets forth the delineation between the respective businesses of our Group and Xiantongyuan:

	Our Group (Radiopharmaceuticals)	Xiantongyuan (Non-radiopharmaceuticals)	Whether there is any overlap during the Track Record Period
Nature and core technologies	An innovative pharmaceutical company focused on the research and development of radiopharmaceuticals. Its core technologies primarily lie in radionuclide selection, target-specific molecular design, enabling precise delivery to disease sites for diagnostic imaging and targeted therapy.	A traditional pharmaceutical company engaged in non-rediopharmaceuticals such as generic drugs and traditional Chinese medicine ("**TCM**") extraction. Its core technologies primarily relate to conventional drug formulation and manufacturing processes, including fermentation and extraction techniques.	No
Indications and clinical applications	Diagnosis and treatment in the fields of neurology, cardiology and oncology.	Adjunctive treatment of chronic hepatitis, chronic persistent hepatitis, chronic cholangitis and cholecystitis, chronic, superficial and atrophic gastritis, and leukopenia caused by radiotherapy or chemotherapy.	No
Mechanism of action	Targeting radiolabeled targeting molecules with radionuclides bind specifically to selected molecular targets and enable PET imaging (using radionuclides such as fluorine-18 (18F)) or radionuclide therapy (using radionuclides such as lutetium-177 (^{177}Lu) and actinium-225 (^{225}Ac)), thereby facilitating theranostics.	Its products are manufactured through chemical synthesis or fermentation and extraction, and generally exert adjunctive effects through protection of the gastrointestinal mucosa, support of liver function and anti-inflammatory effects to alleviate digestive symptoms.	No
Molecular targets	Specific molecular targets. Radiolabeled targeting ligands enable highly specific binding.	Non-specific or broad-spectrum effects. Armillariella polysaccharides and fermentation metabolites principally provide mucosal protection and support liver function; there is no defined molecular target.	No
Dosage forms, storage and transportation	Intravenous injections, in the form of radiopharmaceutical solutions or lyophilized powders for injection. The Group must possess time-sensitive local distribution and transportation capabilities for radionuclides with short half-lives.	Ordinary oral dosage forms, including Armillariella Oral Solution, tablets and capsules. Products may be stored and transported at room temperature and do not involve radioactive materials.	No
R&D model and development cycle	High R&D investment, stringent regulatory requirements and high technical barriers. The development cycle is typically approximately eight to ten years from discovery to NDA approval.	Development of generic drugs and TCM extraction processes. The development cycle is approximately three years, primarily involving generic drug consistency evaluation against marketed originator drugs or process transfer.	No
R&D costs	Typically substantial, covering drug discovery, pharmaceutical development, Phase I, II and III clinical trials and regulatory filings.	Relatively lower, principally comprising process validation and quality consistency studies.	No
Clinical trial requirements and resources	Clinical trials must be conducted at the nuclear medicine departments of hospitals holding a License for the Use of Radioactive Drugs and a radiation safety permit.	No clinical trials have been conducted. Its currently marketed generic drugs and TCM preparations do not require new drug clinical trials.	No

	Our Group (Radiopharmaceuticals)	Xiantongyuan (Non-radiopharmaceuticals)	Whether there is any overlap during the Track Record Period
Commercialization status and time to market	The NDA for XTR005, the Group's first radiopharmaceutical product, was approved in China in September 2023.	Its principal product was launched in 2012 and is an established marketed product.	No
Customers	Healthcare institutions and distributors purchasing pharmaceutical products and radionuclides, and pharmaceutical enterprises purchasing CRO/CDMO and marketing services.	Regional distributors.	There was one overlapping customer for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, which was a regional distributor purchasing pharmaceutical products. For further details of the customer overlap and its impact on our operational independence, see "Operational Independence between our Group and Xiantongyuan" in this section.
Suppliers and regulatory requirements	Suppliers of raw materials (such as radionuclides, precursors and kits) and equipment, CROs and CMOs, collaboration partners, as well as construction service providers for our facilities. The radiopharmaceutical supply chain is subject to special regulation by the Ministry of Ecology and Environment. For further details, see "Laws and Regulations Governing Radiopharmaceuticals" in the "Regulatory Overview" section.	Suppliers of agricultural raw materials used in the fermentation of Armillariella strains, chemical excipients and ordinary pharmaceutical packaging materials. Its supply chain does not involve radioactive materials or radiation protection procedures.	There were seven, eight and four overlapping suppliers for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. The products of or the services provided by these suppliers are generally available in the market and mainly comprised CROs, suppliers of equipment, reagents and consumables, and consulting service providers. For further details of the supplier overlap and its impact on our operational independence, see "Operational Independence between our Group and Xiantongyuan" in this section.
Competing and substitute products	The Group's radiopharmaceuticals are used for diagnostic imaging and targeted therapy and are not substitutable with Xiantongyuan's products.	Oral drugs used in gastroenterology and hepatology, such as hydrotalcite chewable tablets, Weikangling, Hugan tablets and silymarin tablets. Such products have no substitutability with the Group's radiopharmaceutical products.	No
Directors, senior management and employees	For information on our Directors and senior management, see "Directors and Senior Management" in this prospectus. For further information on our employees, see "Business – Employees" in this prospectus.	During the Track Record Period and up to the Latest Practicable Date, save for Mr. Xu, our executive Director, the chairperson of our Board and general manager, who also served as a director of Xiantongyuan, there was no overlap between our Group and Xiantongyuan in terms of directors, senior management or employees.	For further details of such overlap and its impact on our management independence, see "Management Independence between Our Group and Xiantongyuan" in this section.

Rationale for Conducting the Anti-HER3 Antibody Research within Our Group Following the Division

The research on anti-HER3 antibodies has been conducted by our Company, rather than Xiantongyuan, since 2019, as such research formed part of our Group's early-stage innovative drug discovery and exploratory radiopharmaceutical research, and was outside the scope of Xiantongyuan's non-radiopharmaceutical business. Following the Division, Xiantongyuan has been principally engaged in the production and sale of non-radiopharmaceuticals, including generic drugs and TCM, and has not been responsible for innovative drug research and development. The anti-HER3 antibody research was initiated by our Group's early-stage researchers, to explore the possibility of using antibodies as a modality or targeting moiety for radiopharmaceutical development. At the relevant time, commonly used ligands in radiopharmaceutical development were primarily small molecules and peptides, and the application of antibodies in radiopharmaceutical development was an early-stage exploratory research of the Group's radiopharmaceutical R&D. Given our Group's focus on developing radiopharmaceuticals at subsequent stages of development, our Company entered into Duality Agreements to out-license non-radiopharmaceutical intellectual property. Please refer to the paragraph headed "Business – Collaboration Arrangements – Out-licensing Agreements with Duality" for details. Accordingly, the business of our Group is clearly delineated from that of Xiantongyuan.

Management Independence between Our Group and Xiantongyuan

Save for Mr. Xu, our executive Director, the chairperson of our Board and general manager, who also serves as a director of Xiantongyuan since the Division, there has been no overlap between our Group and Xiantongyuan in respect of their respective directors or senior management. Mr. Xu's role in Xiantongyuan is limited to board-level oversight, and he does not hold any executive or managerial position in, or participate in the day-to-day operations or management of, Xiantongyuan. Mr. Xu devotes substantially all of his working time to the management and operations of our Group. Should any actual or potential conflict of interest or transaction arise between our Group and Xiantongyuan, Mr. Xu will abstain from voting on, and will not be counted towards the quorum for the relevant board meeting of our Company or Xiantongyuan. Accordingly, the day-to-day operations and management functions of our Group have been, and will continue to be, independent of Xiantongyuan.

Operational Independence between Our Group and Xiantongyuan

In respect of customers, during the Track Record Period, our Group and Xiantongyuan had only one overlapping customer, a regional pharmaceutical distributor (the "**Overlapping Customer**") and an Independent Third Party. Revenue generated from the Overlapping Customer accounted for approximately 0.2%, 0.4% and 0.4% of our Group's total revenue for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. In respect of suppliers, seven, eight and four of our Group's suppliers, respectively, were also suppliers of Xiantongyuan for the same periods (the "**Overlapping Suppliers**"), all of which were Independent Third Parties. Our Group's procurement amounts from the Overlapping Suppliers accounted for approximately 0.8%, 2.0% and 0.1% of our Group's total procurement amounts for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our Group and Xiantongyuan independently maintained their respective customer and supplier relationships and negotiated their respective transaction terms.

In view of the limited scale of the transactions involved and the independent management of these relationships, our Company believes that such overlap does not affect our Group's operational independence.

Based on the foregoing, our Directors are of the view that the Division was in the interests of our Company and our Shareholders as a whole. Despite the common directorship of Mr. Xu and the Overlapping Customer and Overlapping Suppliers disclosed above, the respective businesses of our Group and Xiantongyuan are clearly delineated, with no overlap in employees, target indications or technologies and no competition for clinical trial resources.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Single Largest Shareholders Group and their close associates after the Listing.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the Listing, our Board will consist of 15 Directors comprising five executive Directors, five non-executive Directors and five independent non-executive Directors. For more information, see "Directors and Senior Management." Notwithstanding that our executive Directors, Mr. Xu, Ms. Tang, Wang Peng and Chu Wei are members of our Single Largest Shareholders Group, our Directors are of the view that our Company is capable of maintaining management independence due to the following reasons:

(a) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) we have five independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;

(d) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors which ensures the independence of the Board in making decisions affecting our Company. Specifically, (a) our independent non-executive Directors are not associated with the members of the Single Largest Shareholders Group or their respective close associates; (b) our independent non-executive Directors account for one-third of the Board; and (c) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience and will be able to provide professional and experienced advice to our Company. In conclusion, the Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Shareholders Group which would support our independent management. See "– Corporate Governance Measures" in this section for further information.

Based on the above, our Directors are satisfied that they are able to perform their managerial roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from the Single Largest Shareholders Group after the Listing.

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Single Largest Shareholders Group and their respective close associates. On the basis of the following reasons, our Directors consider that our Company will continue to be operationally independent from our Single Largest Shareholders Group and their respective close associates after the Listing:

(a) we are not reliant on trademarks owned by our Single Largest Shareholders Group, or by other companies controlled by our Single Largest Shareholders Group;

(b) we have independent access to our customers and suppliers;

(c) we have sufficient capital, facilities, devices and employees to operate our business independently from our Single Largest Shareholders Group;

(d) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments; and

(e) none of our Single Largest Shareholders Group or their respective close associates have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Shareholders Group.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of the Company, independent from the Controlling Shareholders. We are able to make financial decisions independently and the Controlling Shareholders and their respective close associates do not intervene with our financial matters. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system.

In addition, we are capable of obtaining financing from third parties at reasonable costs without relying on any guarantee or security provided by our Single Largest Shareholders Group or their close associates. As of the Latest Practicable Date, there are no outstanding loans or guarantees provided by, or granted to, our Single Largest Shareholders Group or their respective associates.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently of, and do not place undue reliance on, our Single Largest Shareholders Group and their respective close associates after the Listing.

CORPORATE GOVERNANCE MEASURES

Our Company and Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Single Largest Shareholders Group:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of their respective associates has a material interest, the relevant Single Largest Shareholders Group or associates will not vote on the relevant resolutions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Single Largest Shareholders Group or any of their respective associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Single Largest Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) our Single Largest Shareholders Group will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense;

(g) we have appointed Rainbow Capital (HK) Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(h) we have established our audit committee, nomination committee and remuneration and appraisal committee with written terms of reference in compliance with the Listing Rules and the Code on Corporate Governance and Corporate Governance Report in Appendix 14 to the Listing Rules.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Single Largest Shareholders Group, and to protect our minority Shareholders' interests after the Listing.

So far as our Directors are aware, immediately following the completion of the Global Offering and without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/nature of interest	Number of Shares held as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Class and Number of Shares to be held upon completion of the Global Offering	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the Global Offering[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the Global Offering[1]
Mr. Xu[2][3][4][5]	Beneficial owner; interests in controlled corporations; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Xue Fei[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Chu Wei[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Liu Shuang[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Ms. Tang[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Qi Hui[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Wang Peng[4][5]	Beneficial owner; interest held jointly with another person	15,962,673 Unlisted Shares	27.03%	7,981,334 Unlisted Shares	32.47%	24.33%
				7,981,339 H Shares	19.45%	
Jiangsu Jiequan Chengda Equity Investment Center (Limited Partnership) (江蘇聿泉成達股權投資中心(有限合夥)) ("**Jiequan Chengda**")[6]	Beneficial owner	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	
China Life (Jiangsu) Equity Investment Co., Ltd. (國壽(江蘇)股權投資有限公司) ("**China Life Jiangsu**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	
China Life Chengda (Shanghai) Healthcare Equity Investment Management Co., Ltd. (國壽成達(上海)健康醫療股權投資管理有限公司) ("**China Life Chengda Shanghai**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	
China Life Equity Investment Co., Ltd. (國壽股權投資有限公司) ("**China Life Equity Investment**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	

Name of Shareholder	Capacity/nature of interest	Number of Shares held as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Class and Number of Shares to be held upon completion of the Global Offering	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the Global Offering[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the Global Offering[1]
China Life Healthcare Industry Investment Co., Ltd. (國壽健康產業投資有限公司) ("**China Life Healthcare Industry Investment**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	
China Life Investment Insurance Asset Management Co., Ltd. (國壽投資保險資產管理有限公司) ("**China Life Investment Insurance**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	
China Life Insurance (Group) Co., Ltd. (中國人壽保險(集團)公司) ("**China Life Insurance Group**")[6]	Interests in controlled corporations	5,918,762 Unlisted Shares	10.02%	2,959,381 Unlisted Shares	12.04%	9.02%
				2,959,381 H Shares	7.21%	
CITIC Securities Company Limited ("**CITIC Securities Company**")[7]	Interests in controlled corporations	5,839,403 Unlisted Shares	9.89%	2,635,145 Unlisted Shares	10.72%	8.90%
				3,204,258 H Shares	7.81%	
CITIC GoldStone Investment Co., Ltd. (中信金石投資有限公司) ("**GoldStone Investment**")[7]	Interests in controlled corporations	5,270,291 Unlisted Shares	8.93%	2,635,145 Unlisted Shares	10.72%	8.03%
				2,635,145 H Shares	6.42%	
GoldStone New Material Fund for Manufacturing Transformation and Upgrading (Limited Partnership) (金石製造業轉型升級新材料基金(有限合夥)) ("**GoldStone New Material Fund**")[7]	Beneficial owner	4,552,894 Unlisted Shares	7.71%	2,276,447 Unlisted Shares	9.26%	6.94%
				2,276,447 H Shares	5.55%	
ZHANG Yingjie (張英傑) ("**Dr. Zhang**")[8]	Beneficial owner; interests in controlled corporations	4,458,114 Unlisted Shares	7.55%	1,137,813 Unlisted Shares	4.63%	6.79%
				3,320,301 H Shares	8.09%	
Shenzhen Wuming Investment Management Co., Ltd. (深圳物明投資管理有限公司) ("**Shenzhen Wuming Investment**")[8]	Interests in controlled corporations	3,521,180 Unlisted Shares	5.96%	669,346 Unlisted Shares	2.72%	5.37%
				2,851,834 H Shares	6.95%	

Notes:

(1) The calculation is based on the total number of 24,582,400 Unlisted Shares in issue and 41,027,214 H Shares in issue upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) Mr. Xu beneficially holds 6,686,142 Shares.

(3) Beijing Sinotau Juxin, Beijing Sinotau Juli, Tianjin Sinotau Juzhi, Tianjin Sinotau Juneng and Beijing Sinotau Juhui, each being an Employee Shareholding Platform, holds 1,775,726 Shares, 864,054 Shares, 799,557 Shares, 799,556 Shares and 361,711 Shares, respectively. Each of them is managed by Mr. Xu as their respective general partner.

As such, under the SFO, Mr. Xu is deemed to be interested in the 4,600,604 Shares held by Beijing Sinotau Juxin, Beijing Sinotau Juli, Tianjin Sinotau Juzhi, Tianjin Sinotau Juneng and Beijing Sinotau Juhui in aggregate.

(4) Each of Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng beneficially holds 1,453,183 Shares, 1,157,318 Shares, 868,378 Shares, 740,032 Shares, 268,700 Shares and 188,316 Shares, respectively.

(5) Pursuant to the Concert Party Agreement entered into among Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng on July 20, 2020, they have agreed to act in concert with respect to, inter alia, operation and management, external investments and all major matters of the Group. For details, see "History, Development and Corporate Structure – Concert Party Agreement" in this prospectus. As such, each of Mr. Xu, Xue Fei, Chu Wei, Liu Shuang, Ms. Tang, Qi Hui and Wang Peng is deemed to be interested in the Shares the other is interested in by virtue of the SFO.

(6) The general partner of Jiequan Chengda is China Life Jiangsu, which was wholly-owned by China Life Chengda Shanghai, which was in turn wholly-owned by China Life Equity Investment. China Life Equity Investment was wholly-owned by China Life Healthcare Industry Investment, which was wholly-owned by China Life Investment Insurance, which was in turn wholly-owned by China Life Insurance Group, a state-owned company owned as to 90% and 10% by Ministry of Finance of the PRC (中華人民共和國財政部) and National Council for Social Security Fund, PRC (全國社會保障基金理事會), respectively.

As such, under the SFO, each of China Life Jiangsu, China Life Chengda Shanghai, China Life Equity Investment, China Life Healthcare Industry Investment, China Life Investment Insurance and China Life Insurance Group is deemed to be interested in the Shares held by Jiequan Chengda.

(7) GoldStone New Material Fund beneficially holds 4,552,894 Shares and its general partner is GoldStone Investment, which is a wholly-owned subsidiary of CITIC Securities Company, a company whose shares are listed on the Stock Exchange (stock code: 6030). CITIC Securities Investment Ltd. (中信證券投資有限公司) ("**CITIC Securities**") beneficially holds 569,112 Shares and it is wholly-owned by CITIC Securities Company. Maotai GoldStone (Guizhou) Bio-technology Industry Fund Limited Partnership (Limited Partnership) (茅台金石(貴州)生物科技產業基金合夥企業(有限合夥)) ("**Maotai GoldStone Fund**") beneficially holds 717,397 Shares. The general partners of Maotai GoldStone Fund are GoldStone Investment and Moutai (Guizhou) Private Equity Fund Management Co., Ltd. (茅台(貴州)私募基金管理有限公司) ("**Maotai Private Equity**"). Maotai Private Equity is owned by Guizhou Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) ("**Moutai Distillery**") as to 80.10%, which is further owned by the State-owned Assets Supervision and Administration Commission of Guizhou Provincial People's Government (貴州省人民政府國有資產監督管理委員會) ("**SASAC Guizhou**") as to 90.00%.

As such, under the SFO, each of GoldStone Investment and CITIC Securities Company is deemed to be interested in the Shares held by GoldStone New Material Fund, CITIC Securities Company is deemed to be interested in the Shares held by CITIC Securities, and each of GoldStone Investment, CITIC Securities Company, Maotai Private Equity, Moutai Distillery and SASAC Guizhou is deemed to be interested in the Shares held by Maotai GoldStone Fund.

(8) Dr. Zhang beneficially holds 936,934 Shares. Each of Shenzhen Wuming Futian Healthcare Industry Investment L.P. (Limited Partnership) (深圳市物明福田健康產業投資合夥企業(有限合夥)) ("**Wuming Futian**"), Shenzhen Mingde Weixin No. 9 Investment L.P. (Limited Partnership) (深圳市明德惟馨玖號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 9**"), Shenzhen Wuming Boji Healthcare Industry Investment L.P. (Limited Partnership) (深圳市物明博濟醫療健康產業投資合夥企業(有限合夥)) ("**Wuming Boji**"), Shenzhen Mingde Weixin No. 1 Investment L.P. (Limited Partnership) (深圳市明德惟馨壹號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 1**"), Shenzhen Mingde Weixin No. 7 Investment L.P. (Limited Partnership) (深圳市明德惟馨柒號投資合夥企業(有限合夥)) ("**Mingde Weixin No. 7**") and Jiaxing Weixin Yitian Equity Investment L.P. (Limited Partnership) (嘉興惟馨益田股權投資合夥企業(有限合夥)) ("**Jiaxing Weixin**") holds 1,133,459 Shares, 964,114 Shares, 725,634 Shares, 262,268 Shares, 230,470 Shares and 205,235 Shares, respectively. The general partner of each of Wuming Futian, Mingde Weixin No. 9, Mingde Weixin No. 1, Mingde Weixin No. 7 and Jiaxing Weixin is Shenzhen Wuming Investment, a company which is ultimately controlled by Dr. Zhang. The general partner of Wuming Boji is Shenzhen Wuming Boji Equity Investment Management (L.P.) (Limited Partnership) (深圳市物明博濟股權投資管理合夥企業(有限合夥)), whose general partner is Shenzhen Wuming Investment.

As such, under the SFO, each of Dr. Zhang and Shenzhen Wuming Investment is deemed to be interested in the Shares held by Wuming Futian, Mingde Weixin No. 9, Shenzhen Wuming Boji, Shenzhen Mingde Weixin No. 1, Shenzhen Mingde Weixin No. 7 and Jiaxing Weixin in aggregate.

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company, see "Further Information about Our Directors and Substantial Shareholders – 1. Disclosure of Interests" in Appendix VI to this prospectus.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB59,048,614, comprising 59,048,614 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering and conversion of the Unlisted Shares into H Shares, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
Unlisted Shares in issue[(note)]	24,582,400	37.5%
H Shares to be converted from Unlisted Shares[(note)]	34,466,214	52.5%
H Shares to be issued pursuant to the Global Offering	6,561,000	10.0%
Total	**65,609,614**	**100.0%**

Immediately upon completion of the Global Offering and conversion of the Unlisted Shares into H Shares, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
Unlisted Shares in issue[(note)]	24,582,400	36.9%
H Shares to be converted from Unlisted Shares[(note)]	34,466,214	51.8%
H Shares to be issued pursuant to the Global Offering	6,561,000	9.9%
H Shares to be issued pursuant to the exercise of Over-allotment Option in full	984,150	1.5%
Total	**66,593,764**	**100.0%**

Note: For details of the identities of the Shareholders whose Shares will be converted into H Shares upon Listing, see "History, Development and Corporate Structure – Capitalization of Our Company" in this prospectus.

SHARE CLASSES

Upon completion of the Global Offering and conversion of 34,466,214 Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

Unlisted Shares and H Shares are regarded as one class of shares under our Articles of Association, and Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our Shares are to be declared and paid by us in Hong Kong dollars or Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not listed or traded on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided that such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and the filing procedure with the CSRC shall have been completed. The listing of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register of holders. As any listing of additional Shares after our initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting is required for the listing and trading of the converted Shares on the Hong Kong Stock Exchange. Any application for listing of the converted Shares on the Hong Kong Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register of holders maintained in Hong Kong and instruct the ASR to issue H Shares. Registration on our H Share register of holders will be conditional on (a) our ASR lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of holders and the due credit of H Shares; and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Listing Rules, the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted shares are re-registered on our H Share register of holders, such Shares would not be listed as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

Pursuant to the PRC Company Law, our Shares issued prior to the Listing shall not be transferred within one year from the Listing Date.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines on Application for "Full Circulation" of Unlisted Shares of H Share Companies announced by the CSRC and latest amended on 10 August 2023, the shareholders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited (the "**CSDC**"). Further, the H Share Company should submit a report on the relevant circumstances to the CSRC within 15 days of the completion of the re-registration of the shares involved in the application with CSDC.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Appendix V – Summary of Articles of Association."

The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountants' Report included in Appendix I to this prospectus. Our historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRSs, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section. Unless the context otherwise requires, historical financial information in this section is described on a consolidated basis.

The discussion and analysis set forth in this section contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Our actual results may differ significantly from those projected. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections headed "Risk Factors" and "Business" and elsewhere in this prospectus. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this prospectus may be due to rounding.

OVERVIEW

We are dedicated to the development and commercialization of both diagnostic and therapeutic radiopharmaceuticals with considerable market potential. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we recorded revenue of RMB44.1 million, RMB99.2 million, RMB36.9 million and RMB61.3 million, respectively. We recorded net loss of RMB156.1 million, RMB618.4 million, RMB328.2 million and RMB533.9 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. We expect to incur significant amount of expenses and operating losses for at least the next several years as we further our preclinical research efforts, continue the clinical development, and seek regulatory approvals for our product candidates before launching these products to the market. Subsequent to the Listing, we expect to also incur costs associated with operating as a public company. We expect that our financial performance will fluctuate periodically due to the development status of our product candidates, regulatory approval timeline and commercialization of our future approved drugs.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which are outside of our control, including the following.

General Factors

Our business and operating results are affected by general factors affecting the global and China radiopharmaceutical market, which include: (i) relevant laws and regulations, governmental policies and initiatives affecting the global and China radiopharmaceutical markets and the pharmaceutical industries; (ii) growth and competition environment of the global and China radiopharmaceutical markets and the pharmaceutical industries, and in particular, the therapeutic and diagnostic areas we focus on; and (iii) political, economic and social evolvements of different local markets.

Company Specific Factors

Our Ability to Successfully Develop and Commercialize Our Product Candidates

Our business and results of operations are dependent on our ability to successfully develop and commercialize our product candidates. With strategic foresight and deep expertise, we have built a comprehensive and differentiated pipeline of synergistic assets. For more details, see "Business – Overview."

We expect that our revenue will continue to grow along with our enhanced marketing and promotion efforts for our commercialized products, our ongoing investments in research and development to advance clinical-stage product candidates and expand therapeutic indications, as well as our endeavors to commercialize additional product candidates in the future. The performance of our business and operations will depend on the market acceptance and sales performance of the commercialized products. Failure to achieve sufficient market acceptance could hinder our ability to generate the expected revenue.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, particularly cost of sales, research and development expenses, administrative expenses, as well as selling and distribution expenses.

Our cost of sales during the Track Record Period primarily arose for the sales of goods and CRO/CDMO services, as well as the provision of our marketing services, including pharmaceutical products and radionuclides. We plan to continue expanding our business scale, which will enable us to reduce costs through economies of scale and further enhance our profitability.

Research and development activities are central to our business model. The fluctuations in our research and development expenses during the Track Record Period were primarily due to the evolving progress of preclinical studies, IITs and clinical trials of our different product candidates. We expect our research and development expenses to increase for the foreseeable future as we move our product candidates, either from preclinical to clinical stage, or further to more advanced clinical trials, and as we continue to support the clinical trials of our product candidates for indication expansion.

During the Track Record Period, our administrative expenses mainly consisted of (i) employee benefit expenses; (ii) depreciation and amortization; (iii) professional service fees; and (iv) utilities and office expenses. During the Track Record Period, our selling and distribution expenses mainly consisted of (i) employee benefit expenses; (ii) marketing, promotion and advertising expenses; and (iii) office and travel expenses. We anticipate that our selling and distribution expenses will continue to increase as we continue to expand sales of our commercialized products and prepare for the commercialization of our product candidates.

We expect our cost structure to evolve as we continue to develop and expand our business. As the clinical trials of our product candidates continue to progress and as we continue to enrich our pipeline, we expect to incur additional costs in relation to preclinical and clinical studies, raw materials procurements, headcount expansion and manufacturing, among other things. Additionally, we anticipate increasing legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we primarily funded our operations through a combination of equity and debt financing and cash generated from our business operations. Please see "– Liquidity and Capital Resources" for more details. However, with the continuing growth of our business and expansion of our pipeline, additional funding may be required through public or private equity offerings, debt financing, or other sources. Any changes in our ability to secure adequate funding could impact our cash flow and overall financial performance.

Our Collaboration Arrangements

We believe that our collaboration arrangements are critical to our success. During the Track Record Period, we have entered into collaboration agreements in connection with the development and commercialization of a number of pipeline assets. We are required to pay certain milestone and royalty payments based on terms of these agreements. In addition, we entered into a series of out-licensing agreements with Duality Biotherapeutics, Inc., and generated revenue in relation to these agreements during the Track Record Period. We are eligible to receive additional payments upon the achievement of specified development, regulatory and sales-based milestones. Upon commercialization, we will also be eligible to receive royalties on net sales. For more details, please see "Business – Collaboration Arrangements." Moreover, Lantheus acquired Cerveau and Meilleur for upfront payments, additional development and commercial milestone payments and royalty payments. Cerveau and Meilleur hold global rights to develop and commercialize MK-6240 and NAV-4694, respectively. See "History, Development and Corporate Structure – Major Acquisitions, Mergers and Disposals." The timing and amounts of milestone payments and royalties differ by agreement and depend on the achievement of various milestones. Moreover, following the success of our existing out-license and collaboration partnerships, we may enter into new partnerships and collaborations depending on our development strategies. These factors will influence, and may result in fluctuations in, our revenue, profit and results of operations from period to period.

BASIS OF PREPARATION

We were incorporated as a limited liability company registered in the PRC on January 24, 2005. On March 28, 2016, we were converted into a joint stock company with limited liability. During the Track Record Period, we were engaged in the research and development of radiopharmaceuticals. The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention, except for financial investments at fair value through profit or loss and redemption liabilities on equity shares which have been measured at fair value. The historical financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION

The historical financial information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by the IASB. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. See Note 2.3 and Note 3 to the Accountants' Report in Appendix I to this prospectus for a description of our material accounting policies, and significant judgments and estimates.

DESCRIPTION OF MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue	44,064	99,210	36,908	61,254
Cost of sales	(40,686)	(84,187)	(24,887)	(43,267)
Gross profit	3,378	15,023	12,021	17,987
Other income and gains	100,980	81,210	26,744	18,726
Selling and distribution expenses	(24,353)	(57,219)	(18,077)	(37,970)
Impairment of financial and contract assets, net	(1,257)	(5,938)	(3,812)	(1,369)
Administrative expenses	(106,591)	(142,822)	(78,350)	(60,640)
Research and development expenses	(227,982)	(237,523)	(106,873)	(156,554)
Change in fair value of redemption liabilities on equity shares	135,290	(250,023)	(147,838)	(309,830)
Share of (losses)/profits of associates	(8,111)	(1,304)	(650)	1,415
Other expenses	(341)	(4,974)	(3,236)	(1,102)
Finance costs	(10,732)	(7,971)	(2,400)	(3,320)
Loss before tax	**(139,719)**	**(611,541)**	**(322,471)**	**(532,657)**
Income tax expense	(16,397)	(6,867)	(5,708)	(1,283)
Loss for the year	**(156,116)**	**(618,408)**	**(328,179)**	**(533,940)**
Owners of the parent	(149,286)	(610,598)	(323,862)	(530,179)
Non-controlling interests	(6,830)	(7,810)	(4,317)	(3,761)
	(156,116)	**(618,408)**	**(328,179)**	**(533,940)**

Revenue

During the Track Record Period, we generated revenue from (i) sales of goods, mainly including pharmaceutical products and radionuclides; (ii) licensing income, primarily including the upfront payments and milestone payments we received from Duality Biotherapeutics, Inc. For more details, please see "Business – Collaboration Arrangements;" (iii) provision of CRO/CDMO services to our customers; and (iv) provision of marketing services for a third-party pharmaceutical product.

The following table sets forth a breakdown of our revenue for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Sale of goods	3,742	38,009	12,815	39,825
– Adenosine injection	1,410	1,433	713	1,199
– Radionuclides	787	1,636	599	1,123
– XTR005 (^{18}F-Florbetaben Injection)	–	32,743	10,473	36,559
– Others(1)	1,545	2,197	1,030	944
Licensing income	6,703	15,590	13,412	–
CRO/CDMO services	27,160	42,888	7,991	21,068
– CRO services	27,160	38,567	7,808	18,675
– CDMO services	–	4,321	183	2,393
Marketing services	6,459	2,723	2,690	361
Total	**44,064**	**99,210**	**36,908**	**61,254**

Note:

(1) Others refer to pharmaceutical products and other materials sold during the Track Record Period.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) technical service fee for sales of goods and our CRO/CDMO services; (ii) employee benefit expenses relating to salaries, bonus and other welfare for certain personnel; (iii) material costs associated with our sales of goods and the provision of CRO/CDMO service; and (iv) promotion expenses in relation to our marketing services.

The following table sets forth a breakdown of our cost of sales for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Technical service fee	7,383	27,652	8,426	22,446
Employee benefit expenses	15,484	26,828	7,537	9,043
Material costs	4,515	21,431	4,242	4,947
Promotion expenses	7,792	1,912	1,753	–
Others	5,628	4,652	2,827	6,329
Subtotal	*40,802*	*82,475*	*24,785*	*42,765*
Write-off of inventories	*(116)*	*1,712*	*102*	*502*
Total	**40,686**	**84,187**	**24,887**	**43,267**

Gross Profit and Gross Profit Margin

During the Track Record Period, our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to RMB3.4 million, RMB15.0 million, RMB12.0 million and RMB18.0 million for the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, with a gross profit margin of 7.7%, 15.1%, 32.6% and 29.4% for the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The table below sets forth a breakdown of our gross profit by our sales of goods and provision of services for periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin	Gross Profit/ (Loss)	Gross Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(Unaudited)			
Sales of goods	(3,066)	(81.9)	2,724	7.2	758	5.9	12,973	32.6
Licensing income	6,703	100.0	15,590	100.0	13,412	100.0	–	–
CRO/CDMO services	13,557	49.9	613	1.4	641	8.0	4,653	22.1
Marketing services	(13,816)	(213.9)	(3,904)	(143.4)	(2,790)	(103.7)	361	100.0
Total	**3,378**	**7.7**	**15,023**	**15.1**	**12,021**	**32.6**	**17,987**	**29.4**

To enable us to proactively invest in and establish a foothold in the radiopharmaceutical market in China, as well as to build connections with customers and promote the development of clinical activities, we established our own sales and marketing team. As we are at a relatively early stage of commercialization, we have leveraged our sales and marketing team to provide marketing services for a third-party pharmaceutical product. We believe that offering such marketing services has strengthened our sales and marketing team while also enhancing customer awareness and brand recognition.

Our gross profit margin increased from 7.7% in 2024 to 15.1% in 2025, primarily due to (i) an increase in sales of goods. Since 2025, we recognized revenue from the sales of XTR005 (^{18}F-Florbetaben Injection), which had relatively higher gross profit margin compared to CRO/CDMO services and marketing services, and (ii) an increase in licensing income as we received upfront payments and milestone payments from our out-licensing activities. As there were no associated costs of sales for our out-licensing activities, our gross profit and gross margin improved substantially. In addition, as our CRO/CDMO services was still in the early stage and has yet to achieve economies of scale, the continued investments in this sector have led to an increase in our costs. As a result, the gross margin of CRO/CDMO services fluctuated in 2025.

Our gross profit margin decreased from 32.6% in the first half of 2025 to 29.4% in the first half of 2026, primarily because we did not recognize any revenue from licensing income in the first half of 2026. In addition, the gross profit margin for the sales of goods improved significantly, mainly because, since 2025, we have generated gross profit from the sales of XTR005 (^{18}F-Florbetaben Injection), which had a relatively higher gross profit margin compared with some of our other products.

Other Income and Gains

During the Track Record Period, other income and gains mainly consisted of (i) gains on disposal of equity investments, representing payments we received in relation to the disposal of our equity investment in Cerveau and Meilleur, respectively; (ii) bank interest income, primarily representing interest income on our bank deposits; (iii) government grants, representing subsidies granted by the PRC local government authorities to us as incentives for our research and development activities and our establishment of manufacturing facilities; (iv) fair value gains or losses on financial assets at fair value through profit or loss ("**FVTPL**"), net; and (v) gains on disposal of financial assets at FVTPL, net.

The following table sets forth a breakdown of our other income and gains for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Other income				
Bank interest income	23,283	22,990	12,161	6,539
Government grants	1,438	36,576	3,619	3,798
Others	1,046	4,031	1,415	1,485
Subtotal	*25,767*	*63,597*	*17,195*	*11,822*
Gain				
Fair value gains/(losses) on financial assets at FVTPL, net	706	(318)	96	70
Gains on disposal of financial assets at FVTPL, net	1,417	7,711	3,124	2,760
Gains on disposal of equity investments	73,090	10,220	6,329	4,074
Subtotal	*75,213*	*17,613*	*9,549*	*6,904*
Total	**100,980**	**81,210**	**26,744**	**18,726**

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) preclinical and clinical trial expenses for our product candidates, primarily in relation to the engagement of CROs and other service providers; (ii) employee benefit expenses relating to salaries, bonus and other welfare for our research and development personnel; (iii) material costs incurred in the course of our R&D activities; (iv) depreciation and amortization; (v) patent fees mainly in relation to patent application; (vi) licensing fees, representing payments to our collaboration partners; and (vii) others, mainly comprising equipment maintenance expenses, and other miscellaneous expenses.

The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Preclinical and clinical trial expenses	86,677	89,173	36,073	62,910
Employee benefit expenses	77,044	79,155	40,195	44,526
Material costs	30,040	33,661	11,902	25,714
Depreciation and amortization	21,261	22,015	11,576	10,968
Patent fees	2,470	2,710	1,048	1,980
Licensing fees	719	1,431	1,361	3,752
Others	9,771	9,378	4,718	6,704
Total	**227,982**	**237,523**	**106,873**	**156,554**

Our research and development expenses for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026 amounted to RMB228.0 million, RMB237.5 million, RMB106.9 million and RMB156.6 million, respectively, accounting for 63.5%, 54.3%, 52.6% and 61.4%, of our total operating expenses (i.e. research and development expenses, selling and distribution expenses and administrative expenses) in the respective period. Our research and development expenses attributable to our Core Products were RMB87.5 million, RMB73.1 million, RMB37.4 million and RMB57.4 million for the years ended December 31, 2024, and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 38.4%, 30.8%, 35.0% and 36.7% of our total research and development expenses, and 24.4%, 16.7%, 18.4% and 22.5% of our total operating expenses in the respective period.

The allocation of R&D expenditures across product candidates reflects the nature, stage and strategic importance of each product candidate, and is closely associated with its development stage. The decrease in research and development expenses attributable to our Core Products in 2025 was primarily attributable to the timing of their respective clinical development stages. In particular, following completion of the interim analysis of a registrational Phase III clinical trial of XTR008 for G1 or G2 SSTR-positive GEP-NETs in November 2024, we submitted an NDA to the NMPA in March 2025. As we initiated a Phase III clinical trial for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins in June 2026 and conduct the research and development of XTR008 for the treatment of meningioma, and its R&D expenses are therefore expected to increase significantly thereafter. In addition, the relatively lower research and development expenses for XTR004 in 2024 was mainly due to a transition period during which we actively engaged with the CDE in designing the Phase III clinical trial protocol. Following the commencement of a Phase III clinical trial in November 2025, R&D expenses for XTR004 have increased and are expected to continue to rise significantly going forward. In addition, we plan to conduct the clinical studies for XTR004 for detecting flow-limiting stenosis in patients with suspected or known stable CAD in the U.S due to the positive data.

The table below sets forth the breakdown of research and development expenses by each of our Core Products and other product candidates during the Track Record Period:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* *(Unaudited)*	*%*	*RMB'000*	*%*
Core Products								
– XTR008	68,603	30.1	39,333	16.6	23,237	21.8	26,558	17.0
– XTR004	18,849	8.3	33,750	14.2	14,152	13.2	30,829	19.7
Subtotal	*87,452*	*38.4*	*73,083*	*30.8*	*37,389*	*35.0*	*57,387*	*36.7*
Other Products								
– XTR003	8,244	3.6	6,304	2.7	938	0.9	5,175	3.3
– XTR005	6,410	2.8	–	–	–	–	–	–
– XTR006	15,097	6.6	4,597	1.9	4,121	3.9	1,212	0.8
– XTR010	8,962	3.9	5,364	2.3	2,613	2.4	1,002	0.6
– XTR012	13,728	6.0	7,924	3.3	7,171	6.7	5,724	3.7
– XTR015	2,140	0.9	8,027	3.4	1,368	1.3	6,746	4.3
– XTR020	11,905	5.2	31,428	13.2	11,351	10.6	10,382	6.7
– XTR021	7,184	3.2	19,159	8.1	5,837	5.5	13,942	8.9
– XTR022	1,642	0.7	3,372	1.4	795	0.7	9,735	6.2
– XTR024	2,627	1.2	11,324	4.8	3,969	3.7	4,756	3.0
– XTR025	–	–	1,217	0.5	211	0.2	671	0.4
– Adenosine injection	413	0.2	–	–	–	–	–	–
Subtotal	*78,352*	*34.3*	*98,716*	*41.6*	*38,374*	*35.9*	*59,345*	*37.9*
Radionuclides and early-stage R&D	41,855	18.4	59,519	25.0	25,914	24.2	38,277	24.4
Others(1)	20,323	8.9	6,205	2.6	5,196	4.9	1,545	1.0
Total	**227,982**	**100.0**	**237,523**	**100.0**	**106,873**	**100.0**	**156,554**	**100.0**

Note:

(1) Mainly representing research and development expenses for (a) ^{18}F-FDG and certain non-pipeline products whose development we discontinued and (b) CRO/CDMO services.

The following table sets forth the clinical development expenses (namely, research and development expenses, excluding employee benefit expenses and depreciation and amortization) attributable to the Core Products during the Track Record Period by development stage:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Preclinical and IIT	–	–	–	736
Phase I	–	–	–	–
Phase II	9,817	16,009	8,100	1,012
Phase III	36,028	20,075	10,206	27,107
Total	**45,845**	**36,084**	**18,306**	**28,855**

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee benefits expenses mainly relating to salaries, bonus and other welfare for our administrative personnel; (ii) depreciation and amortization related to offices, equipment and other assets which were used for administrative purpose; (iii) professional service fees mainly incurred for legal and auditing services in connection with the Listing and in the ordinary course of business; (iv) utilities and office expenses incurred for our administrative purpose; (v) tax and surcharges; and (vi) others, mainly including travel expenses, rental expenses and other miscellaneous expenses.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Employee benefit expense	64,392	75,658	38,091	28,393
Depreciation and amortization	17,606	20,928	11,878	11,691
Professional service fees	10,718	35,139	21,631	14,199
Utilities and office expenses	5,027	4,520	2,111	1,527
Tax and surcharges	2,274	3,116	1,506	1,595
Others	6,574	3,461	3,133	3,235
Total	**106,591**	**142,822**	**78,350**	**60,640**

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses consisted of (i) employee benefits expenses, mainly relating to salaries, bonus and other welfare for our selling and marketing personnel associated with the sales, marketing and promotion of our products; (ii) marketing, promotion and advertising expenses associated with our products; (iii) office and travel expenses incurred for our selling and marketing activities, and (iv) others, mainly including entertainment expenses and other miscellaneous expenses.

The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Employee benefit expenses	15,464	30,512	11,442	25,895
Marketing, promotion and advertising expenses	5,194	12,990	3,653	6,173
Office and travel expenses	1,238	3,681	974	2,077
Others	2,457	10,036	2,008	3,825
Total	**24,353**	**57,219**	**18,077**	**37,970**

Change in Fair Value of Redemption Liabilities on Equity Shares

We recorded redemption liabilities of equity shares during the Track Record Period. For details, please see "– Indebtedness – Redemption Liabilities on Equity Shares". As a result, we recorded fair value gains of redemption liabilities on equity shares of RMB135.3 million in 2024, and fair value losses of redemption liabilities on equity shares of RMB250.0 million, RMB147.8 million and RMB309.8 million in 2025 and the first half of 2025 and 2026, respectively.

Share of (Losses)/Profits of Associates

We held certain ownership interest of our associates and shared their results during the Track Record Period. As a result, we recorded share of losses of associates of RMB8.1 million, RMB1.3 million and RMB0.7 million in 2024 and 2025 and the first half of 2025, respectively, and share of profits of associates of RMB1.4 million in the first half of 2026.

Finance Costs

During the Track Record Period, our finance costs primarily consisted of (i) transaction cost for issuance of redemption liabilities on equity shares in relation to our financing activities, (ii) interest on bank borrowings, and (iii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Transaction cost for issuance of redemption liabilities on equity shares	5,345	–	–	–
Interest on bank borrowings	7,476	8,870	3,422	2,717
Interest on lease liabilities	1,946	1,501	790	603
Less: Interest capitalized	*(4,035)*	*(2,400)*	*(1,812)*	–
Total	**10,732**	**7,971**	**2,400**	**3,320**

Income Tax Expense

We are subject to income tax on an entity basis on profits arising in or derived from the countries or jurisdictions in which members of our Group are domiciled and operate.

The Company and our PRC subsidiaries are subject to the statutory EIT rate of 25%. During the Track Record Period, the Company was entitled to a preferential tax rate of 15% because it was accredited as a "High and New Technology Enterprise" ("**HNTE**"). The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

Our subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% during the Track Record Period.

As a result, we recorded income tax expenses of RMB16.4 million, RMB6.9 million, RMB5.7 million and RMB1.3 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our Directors confirm that during the Track Record Period, we had made all the required tax filings and had no material outstanding tax liabilities with the relevant tax authorities in the relevant jurisdictions and we are not aware of any material outstanding or potential disputes with such tax authorities.

COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared with Six Months Ended June 30, 2025

Revenue

Our revenue increased by RMB24.4 million from RMB36.9 million in the first half of 2025 to RMB61.3 million in the first half of 2026, primarily due to (i) an increase of RMB27.0 million in sales of goods, which was primarily attributable to the increased sales of XTR005 in the first half of 2026, and (ii) an increase of RMB13.1 million in CRO/CDMO services, which was in line with the expansion of our CRO/CDMO services, partially offset by a decrease of RMB13.4 million in our licensing income, which was directly related to our license-out activities during the same period.

Cost of Sales

Our cost of sales increased by RMB18.4 million from RMB24.9 million in the first half of 2025 to RMB43.3 million in the first half of 2026, primarily due to an increase of RMB14.0 million in technical service fee for sales of goods and our CRO/CDMO services, which was in line with the expansion of sales of goods and our CRO/CDMO services.

Gross Profit and Gross Profit Margin

As a result of foregoing, we recorded gross profit of RMB12.0 million and RMB18.0 million in the first half of 2025 and 2026, respectively, with a gross profit margin for the period of 32.6% and 29.4% in the first half of 2025 and 2026, respectively.

Other Income and Gains

Our other income and gains decreased by RMB8.0 million from RMB26.7 million in the first half of 2025 to RMB18.7 million in the first half of 2026, primarily due to a decrease of RMB5.6 million in bank interest income, which was mainly attributable to the decrease in the average balance of our bank deposits in the first half of 2026.

Research and Development Expenses

Our research and development expenses increased by RMB49.7 million from RMB106.9 million in the first half of 2025 to RMB156.6 million in the first half of 2026, primarily due to (i) an increase of RMB26.8 million in preclinical and clinical trial expenses, which was mainly in line with the evolving progress of clinical trial status of different product candidates, and (ii) an increase of RMB13.8 million in material costs for our research and development activities.

Administrative Expenses

Our administrative expenses decreased by RMB17.8 million from RMB78.4 million in the first half of 2025 to RMB60.6 million in the first half of 2026, primarily due to a decrease of RMB9.7 million in employee benefit expenses, mainly attributable to the recognition of a significant amount of share-based payment expenses in connection with the vesting of the restricted share unit scheme and share option scheme in the first half of 2025.

Selling and Distribution Expenses

Our selling and distribution expenses increased significantly from RMB18.1 million in the first half of 2025 to RMB38.0 million in the first half of 2026, primarily due to an increase of RMB14.5 million in employee benefit expenses. In the first half of 2026, we hired more selling and distribution personnel to support the sales expansion of XTR005.

Change in Fair Value of Redemption Liabilities on Equity Shares

Our fair value losses of redemption liabilities on equity shares increased by RMB162.0 million from RMB147.8 million in the first half of 2025 to RMB309.8 million in the first half of 2026, primarily due to an increase in the fair value of redemption liabilities on equity shares.

Finance Costs

Our finance costs increased by RMB0.9 million from RMB2.4 million in the first half of 2025 to RMB3.3 million in the first half of 2026, primarily because of a decrease in capitalized interest of RMB1.8 million as the related construction project was completed in 2025.

Income Tax Expenses

Our income tax expenses decreased by RMB4.4 million from RMB5.7 million in the first half of 2025 to RMB1.3 million in the first half of 2026, primarily due to a decrease in gains on disposal of equity investments, which contributed to our taxable income during the same period.

Loss for the Period

As a result of the foregoing, we recorded loss for the period of RMB328.2 million in the first half of 2025 and RMB533.9 million in the first half of 2026.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by RMB55.1 million from RMB44.1 million in 2024 to RMB99.2 million in 2025, mainly due to (i) an increase of RMB34.3 million in sales of goods primarily as we recognized revenue from the sales of XTR005 (^{18}F-Florbetaben Injection) under the trade name 歐韋寧® in 2025; (ii) an increase of RMB15.7 million in CRO/CDMO services, which was in line with the expansion of our CRO/CDMO services; and (iii) the increase of RMB8.9 million in licensing income as we received an increased amount of payments in relation to our out-licensing arrangement.

Cost of Sales

Our cost of sales increased by RMB43.5 million from RMB40.7 million in 2024 to RMB84.2 million in 2025, mainly due to (i) an increase of RMB20.3 million in technical service fee for sales of goods and our CRO/CDMO services, which was in line with the expansion of sales of goods and our CRO/CDMO services and (ii) an increase in material costs of RMB16.9 million driven by the growth of our business.

Gross Profit and Gross Profit Margin

As a result of foregoing, we recorded gross profit of RMB3.4 million and RMB15.0 million in 2024 and 2025, respectively, with a gross profit margin for the period of 7.7% and 15.1% in 2024 and 2025, respectively.

Other Income and Gains

Our other income and gains decreased by RMB19.8 million from RMB101.0 million in 2024 to RMB81.2 million in 2025, primarily due to a decrease in gains on disposal of equity investments of RMB62.9 million in connection with disposal of equity interest in Cerveau and Meilleur, partially offset by an increase of RMB35.1 million in government grants mainly for the compensation for our research and development activities.

Research and Development Expenses

Our research and development expenses increased by RMB9.5 million from RMB228.0 million in 2024 to RMB237.5 million in 2025, mainly due to (i) an increase of RMB3.6 million in materials costs for our research and development activities, and (ii) an increase of RMB2.5 million in preclinical and clinical trial expenses, which was mainly in line with the evolving progress of clinical trial status of different product candidates.

Administrative Expenses

Our administrative expenses increased by RMB36.2 million from RMB106.6 million in 2024 to RMB142.8 million in 2025, mainly due to (i) an increase of RMB24.4 million in professional service expenses primarily in relation to the Listing and (ii) an increase in employee benefit expense of RMB11.3 million mainly in relation to the expansion of our management team.

Selling and Distribution Expenses

Our selling and distribution expenses increased by RMB32.8 million from RMB24.4 million in 2024 to RMB57.2 million in 2025, mainly due to (i) an increase in employee benefit expenses of RMB15.0 million, and (ii) an increase in marketing, promotion and advertising expenses of RMB7.8 million, both were primarily due to our increased sales and marketing efforts in relation to the launch of XTR005 (^{18}F-Florbetaben injection) under the trade name 歐韋寧®.

Change in Fair Value of Redemption Liabilities on Equity Shares

Our fair value change of redemption liabilities on equity shares changed from a gain of RMB135.3 million in 2024 to a loss of RMB250.0 million in 2025, primarily due to an increase in the fair value of redemption liabilities on equity shares, mainly attributable to our business expansion in 2025.

Finance Costs

Our finance costs decreased by RMB2.7 million from RMB10.7 million in 2024 to RMB8.0 million in 2025, primarily due to a decrease in transaction cost for issuance of redemption liabilities on equity shares. In 2024, we incurred such transaction cost in relation to our financing activities.

Income Tax Expenses

Our income tax expenses decreased by RMB9.5 million from RMB16.4 million in 2024 to RMB6.9 million in 2025, which was due to a decrease in gains on disposal of equity investments, which contributed to our taxable income during the same period.

Loss for the Year

As a result of the foregoing, we recorded loss for the period of RMB156.1 million in 2024 and RMB618.4 million in 2025.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	527,231	542,529	535,893
Right-of-use assets	69,477	60,027	66,915
Intangible assets	8,426	15,972	15,250
Investments in associates	12,505	14,702	16,117
Prepayments, other receivables and other assets	84,683	66,944	65,281
Time deposits	240,668	287,714	103,363
Total non-current assets	**942,990**	**987,888**	**802,819**
Current assets			
Inventories	27,782	24,635	28,039
Trade receivables	24,002	55,991	70,932
Contract assets	–	5,045	12,413
Prepayments, other receivables and other assets	31,270	48,561	65,202
Financial assets at FVTPL	248,706	110,101	103,696
Cash and cash equivalents	471,878	449,054	341,600
Pledged deposits	410	30,000	–
Time deposits	531,778	275,240	410,910
Total current assets	**1,335,826**	**998,627**	**1,032,792**
LIABILITIES			
Current liabilities			
Trade payables	34,538	38,703	54,830
Contract liabilities	4,613	4,490	15,873
Other payables and accruals	92,031	91,230	77,414
Interest-bearing bank borrowings	13,108	26,519	34,787
Lease liabilities	9,321	8,852	10,788
Tax payable	–	1,020	–
Redemption liabilities on equity shares	3,094,254	3,424,250	3,804,080
Total current liabilities	**3,247,865**	**3,595,064**	**3,997,772**
Net current liabilities	**(1,912,039)**	**(2,596,437)**	**(2,964,980)**
Total assets less current liabilities	**(969,049)**	**(1,608,549)**	**(2,162,161)**
Non-current liabilities			
Lease liabilities	28,927	20,006	15,172
Interest-bearing bank borrowings	147,095	116,415	108,420
Other payables and accruals	6,481	74	74
Deferred income	19,153	21,783	20,277
Total non-current liabilities	**201,656**	**158,278**	**143,943**
Net liabilities	**(1,170,705)**	**(1,766,827)**	**(2,306,104)**
DEFICIENCY IN ASSETS			
Share capital	59,049	59,049	59,049
Reserves	(1,225,510)	(1,813,822)	(2,349,338)
Subtotal	*(1,166,461)*	*(1,754,773)*	*(2,290,289)*
Non-Controlling interests	**(4,244)**	**(12,054)**	**(15,815)**
Total deficit	**(1,170,705)**	**(1,766,827)**	**(2,306,104)**

Property, Plant and Equipment

Our property, plant and equipment primarily includes buildings, machinery, electronic equipment, motor vehicles, office furniture, leasehold improvements, and construction in progress. Our property, plant and equipment increased from RMB527.2 million as of December 31, 2024 to RMB542.5 million as of December 31, 2025, primarily due to an increase in machinery mainly in relation to our establishment of manufacturing facilities. Our property, plant and equipment then decreased to RMB535.9 million as of June 30, 2026, primarily due to a decrease of RMB9.9 million in building mainly caused by the depreciation.

The following table sets out our property, plant and equipment as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Building	312,353	310,012	300,156
Machinery	115,376	131,324	130,310
Electronic equipment	2,130	7,722	9,261
Motor vehicles	254	171	142
Office furniture	9,316	6,696	5,169
Leasehold improvements	19,349	27,924	30,363
Construction in progress	68,453	58,680	60,492
Total	**527,231**	**542,529**	**535,893**

Right-of-Use Assets

Our right-of-use assets primarily arise from the leased properties. Our right-of-use assets decreased from RMB69.5 million as of December 31, 2024 to RMB60.0 million as of December 31, 2025 primarily due to the depreciation. Our right-of-use assets then increased to RMB66.9 million as of June 30, 2026, primarily due to our acquisition of the land use rights for a parcel of land in Tianjin for the construction of our Tianjin facility in 2026.

Intangible Assets

Our intangible assets consist of software. Our intangible assets increased from RMB8.4 million as of December 31, 2024 to RMB16.0 million as of December 31, 2025, and then decreased to RMB15.3 million as of June 30, 2026.

Inventories

Our inventories primarily consist of raw materials, work in progress, and finished goods. Our inventories decreased from RMB27.8 million as of December 31, 2024 to RMB24.6 million as of December 31, 2025, primarily due to our utilization of inventories in relation to our provision of CRO/CDMO services. Our inventories then increased to RMB28.0 million as of June 30, 2026, primarily in line with the growth of our business.

The following table sets forth the details of our inventories as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	19,768	19,256	21,226
Work in progress	10,169	6,644	6,415
Finished goods	626	790	740
	30,563	26,690	28,381
Impairment	(2,781)	(2,055)	(342)
Total	**27,782**	**24,635**	**28,039**

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	15,053	12,815	15,443
1 to 2 years	7,827	4,218	5,586
Over 2 years	4,902	7,602	7,010
Total	**27,782**	**24,635**	**28,039**

The table below sets forth the inventory turnover days for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Inventory turnover days[1]	245	124	115

Note:

(1) Inventory turnover days were calculated based on the average of opening and closing inventory balance for the relevant period, divided by the cost of sales for the same period, and multiplied by 365 days for 2024 and 2025 and 180 days for the six months ended June 30, 2026.

Our inventory turnover days decreased significantly from 245 days in 2024 to 124 days in 2025 mainly due to enhanced inventory management. We procured relatively large amount of raw materials to support the R&D activities and manufacturing of our XTR005 before 2025, which were subsequently utilized during the production of XTR005 and diminished over the time with the sales of XTR005 in 2025, as well as the provision of our CRO/CDMO services. Our inventory turnover days remained relatively stable at 115 days in the first half of 2026.

We believe that we did not experience any material impairment issues in relation to our inventories during the Track Record Period for the following reasons: (i) as of September 30, 2026, RMB8.3 million, or approximately 29.7%, of the inventories as of June 30, 2026 had subsequently been utilized or settled; (ii) the majority of our inventories consisted of raw materials, which were primarily used for the production of XTR005 and other pipeline products under development, as well as for our CRO/CDMO service business, and showed no signs of physical damage, obsolescence or decline in market value; (iii) we believe that we have made sufficient inventory provisions and for the six months ended June 30, 2026, we had recognized inventory impairment provisions of RMB109,000, RMB86,000 and RMB393,000 for raw materials, work in progress and finished goods, respectively; and (iv) we had adopted effective inventory management measures, including closely monitoring inventory levels and conducting periodic inventory counts and physical inspections, and will continue to review inventory recoverability from time to time.

Trade Receivables

Our trade receivables primarily arise from our sales of goods, provision of CRO/CDMO services and marketing services. Our trade receivables increased significantly from RMB24.0 million as of December 31, 2024 to RMB56.0 million as of December 31, 2025, and further to RMB70.9 million as of June 30, 2026, primarily due to our sales of XTR005 in 2025 and the first half of 2026.

We typically grant our customers credit terms ranging from 30 days to 280 days. We seek to maintain strict credit control over our outstanding receivables, and overdue balances are reviewed regularly and actively monitored by senior management to minimize credit risk. The following table sets forth an aging analysis of our trade receivables net of loss allowance, based on the goods or services acceptance date as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	21,209	46,258	58,475
13 to 24 months	1,311	7,898	10,622
25 to 36 months	1,482	846	846
36 to 48 months	–	989	989
Total	**24,002**	**55,991**	**70,932**

The table below sets forth the trade receivable turnover days for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Trade receivable turnover days[1]	147	160	202

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables for the relevant period, divided by the revenue for the same period and multiplied by 365 days for 2024 and 2025 and 180 days for the six months ended June 30, 2026.

Our trade receivables turnover days increased from 147 days in 2024 to 160 days in 2025, and further increased to 202 days for the six months ended June 30, 2026, primarily due to the increased balance of trade receivables.

We believe that we did not experience any material recoverability issues in relation to our trade receivables during the Track Record Period, based on the following reasons: (i) as of September 30, 2026, RMB18.2 million, or approximately 25.7%, of the trade receivables as of June 30, 2026 had subsequently been settled, with no indication of uncollectibility from customers due to aging accounts, disputes or financial distresses of such customers; (ii) regarding trade receivables aged over one year, as of September 30, 2026, approximately RMB0.8 million, representing 6.4% of such trade receivables as of June 30, 2026, had been subsequently settled. The majority of such long-aged trade receivables, amounting to RMB9.4 million, were due from Customer C in connection with the marketing services provided by us during the Track Record Period. We terminated the marketing services agreement with Customer C in August 2026. For more details, please see "Business – Marketing and Sales – Marketing Services." The termination agreement entered into between Customer C and us sets out specific reconciliation and settlement arrangements for the outstanding trade receivables. We are actively working with Customer C to facilitate the settlement of such outstanding trade receivables according to such agreement. Therefore, we believe that there are no material recoverability issues for such trade receivables; (iii) we have established credit control policies and procedures to minimize credit risk and maintain control over outstanding receivables, under which our senior management regularly reviews overdue balances and actively follows up with customers with overdue trade receivables; and (iv) we applied a provision matrix to measure the expected credit losses of trade receivables. The expected credit loss rate was 7.3%, 7.9% and 7.6% in 2024 and 2025 and the first half of 2026, respectively. Based on this methodology, we believe that we made sufficient provisions for trade receivables during the Track Record Period.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) prepayments, mainly representing the prepaid research and development expenses; (ii) prepayment for long-term assets, mainly representing our prepayments for the equipment we purchased for our establishment of manufacturing facilities; (iii) prepayments for in-license; and (iv) value-added tax recoverable, representing value-added tax paid by us on purchases that are deductible against future value-added tax payable. Our prepayments, other receivables and other assets remained relatively stable at RMB116.0 million and RMB115.5 million as of December 31, 2024 and 2025, respectively. Our prepayments, other receivables and other assets then increased to RMB130.5 million as of June 30, 2026, primarily due to (i) an increase of RMB5.2 million in VAT recoverable mainly in relation to our procurement in the first half of 2026; and (ii) an increase of RMB4.5 million in other receivables.

The following table sets out our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	24,413	27,111	27,080
Other receivables	6,857	5,841	10,378
Deferred listing expenses	–	4,244	7,047
VAT recoverable	–	10,837	20,032
Others	–	528	665
Subtotal	*31,270*	*48,561*	*65,202*
Non-current:			
Prepayments for long-term assets	20,014	1,844	4,464
Prepayments for in-license	8,706	8,706	8,706
VAT recoverable	53,015	52,684	48,705
Others	2,948	3,710	3,406
Subtotal	*84,683*	*66,944*	*65,281*
Total	**115,953**	**115,505**	**130,483**

As of September 30, 2026, RMB10.7 million, or approximately 8.2% of our prepayment, other receivables and other assets as of June 30, 2026 had been subsequently settled.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily represented the fair value of our structured deposits we purchased. We recorded financial assets at FVTPL of RMB248.7 million, RMB110.1 million and RMB103.7 million as of December 31, 2024 and 2025 and June 30, 2026, respectively, with expected return rates ranging from 0.5% to 2.55% per annum and general maturity term ranging from 14 days to 362 days. Our structured deposits were issued by commercial banks operating in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

We have implemented a series of internal control policies and rules regarding investment in structure deposits historically to ensure that the purpose of investment is to preserve capital and liquidity until free cash is used in our primary business and operation. Prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures even after purchasing such structured deposits. We adopt a prudent approach in selecting financial products. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as duration of the investment and the expected returns. All structured deposits we purchased during the Track Record Period were approved by our management team. Our management team and the finance department are mainly responsible for making, implementing and supervising our investment decisions. To control our risk exposure, we have in the past sought, and may continue in the future to seek other low-risk financial products with short maturity term. Additionally, we mainly invest in structured deposits offered by reputable commercial banks or reputable financial institutions. After making an investment, we closely monitor its performance and fair value on a regular basis. Upon the Listing, our investment in wealth management products is subject to the compliance with Chapter 14 of the Listing Rules**.**

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash at hand as well as bank balances. Our cash at banks earns interest at floating rates based on daily bank deposit rates. Our cash and cash equivalents amounted to RMB471.9 million, RMB449.1 million and RMB341.6 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. For an analysis on cash flows during the Track Record Period, see " – Liquidity and Capital Resources."

Time Deposits

Our time deposits represent our bank deposits with a fixed maturity term. Our time deposit amounted to RMB772.4 million, RMB563.0 million and RMB514.3 million as of December 31, 2024 and 2025 and June 30, 2026, respectively.

Trade Payables

Our trade payables mainly related to our purchases of materials and third-party contracting services. Our trade payables increased from RMB34.5 million as of December 31, 2024 to RMB38.7 million as of December 31, 2025, and further to RMB54.8 million as of June 30, 2026, primarily due to an increase in our payables to our CROs and material suppliers. Our credit terms on trade payables normally were 30 days to 90 days.

The following table sets forth an aging analysis of our trade payables, based on the invoice date, as of the dates indicated:

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	33,722	38,286	54,153
1 to 2 years	784	398	535
Over 2 years	32	19	142
Total	**34,538**	**38,703**	**54,830**

As of September 30, 2026, RMB20.1 million or 36.6% of our trade payables as of June 30, 2026 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) other payables, comprising payables for the construction in progress for our establishment of manufacturing facilities as well as government grants, (ii) payroll and welfare payables, and (iii) other tax payables. Our other payables and accruals decreased from RMB98.5 million as of December 31, 2024 to RMB91.3 million as of December 31, 2025, primarily due to our settlement of certain other payables for long-term assets in 2025. Our other payables and accruals then decreased to RMB77.5 million as of June 30, 2026, primarily due to a decrease of RMB10.3 million in payroll and welfare payables, as the accrual for annual bonuses as of June 30, 2026 only reflected bonuses for the first half of 2026, compared with the full-year bonus accrual recognized as of December 31, 2025.

The following table sets out our other payables and accruals as of the dates indicated.

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Payroll and welfare payables	32,275	39,962	29,616
Other tax payables	1,235	519	714
Accrued listing expense	–	5,523	8,335
Other payables	58,521	45,226	38,749
Subtotal	*92,031*	*91,230*	*77,414*
Non-current			
Other payables	6,481	74	74
Subtotal	*6,481*	*74*	*74*
Total	**98,512**	**91,304**	**77,488**

As of September 30, 2026, RMB25.4 million, or approximately 32.8% of our other payables and accruals as of June 30, 2026 had been subsequently settled.

Contract liabilities

Our contract liabilities represent advances from our customers while the underlying services or products have not been provided, which are subsequently recognized as revenue upon rendering of the relevant services or delivery of the relevant products. Our contract liabilities remained relatively stable at RMB4.6 million as of December 31, 2024 and RMB4.5 million as of December 31, 2025. Our contract liabilities then increased to RMB15.9 million as of June 30, 2026, mainly because we received more advances from our clients in the first half of 2026, which was mainly attributable to the expansion of our sales of goods and CRO/CDMO services.

As of September 30, 2026, RMB2.3 million, or approximately 14.6% of our contract liabilities as of June 30, 2026 had been recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary sources of liquidity consist of cash and cash equivalents, which we have historically generated primarily through our business operations, equity financing and borrowings. We expect that our cash needs in the near future will primarily relate to progressing the development of our product candidates towards receiving regulatory approval and commencing commercialization, our marketing and promotion of our commercialized products, as well as expanding our drug candidate portfolio. Our management closely monitors uses of cash and cash balances and strives to maintain a healthy liquidity for our operations. We expect our liquidity requirements will be satisfied by a combination of existing cash and cash equivalents, bank loans, time deposits, financial assets at FVTPL and net proceeds from the Global Offering, as well as revenue generated from sales of our successfully commercialized drug products. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financings, collaboration arrangements, licensing arrangements or other sources.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Cash used in operations before movements in working capital	(264,951)	(292,045)	(146,106)	(195,163)
Changes in working capital	4,603	(35,694)	(41,033)	(30,102)
Income tax paid	(16,397)	(5,847)	(4,247)	(2,303)
Net cash flows used in operating activities	(276,745)	(333,586)	(191,386)	(227,568)
Net cash flows (used in)/generated from investing activities	(601,747)	275,071	151,853	62,584
Net cash flows generated from financing activities	559,519	39,274	23,909	61,060
Net decrease in cash and cash equivalents	(318,973)	(19,241)	(15,624)	(103,924)
Cash and cash equivalents at beginning of the year/period	790,824	471,878	471,878	449,054
Effect of foreign exchange rate changes, net	27	(3,583)	2,022	(3,530)
Cash and cash equivalents at end of the year/period	**471,878**	**449,054**	**458,276**	**341,600**

Net Cash Flows Used in Operating Activities

For the six months ended June 30, 2026, our net cash used in operating activities was RMB227.6 million, which was primarily attributable to our loss before tax of RMB532.7 million, adjusted for non-cash and non-operating items, including (i) change in fair value of redemption liabilities on equity shares of RMB309.8 million, and (ii) depreciation of property, plant and equipment of RMB30.9 million. The amount was further adjusted by the negative effect of changes in working capital, which mainly comprised (i) decrease in other payables and accruals of RMB18.6 million; and (ii) increase in trade receivables of RMB15.9 million.

In 2025, our net cash used in operating activities was RMB333.6 million, which was primarily attributable to our loss before tax of RMB611.5 million, adjusted for non-cash and non-operating items, including (i) change in fair value of redemption liabilities on equity shares of RMB250.0 million, and (ii) depreciation of property, plant and equipment of RMB55.8 million. The amount was further adjusted by the negative effect of changes in working capital, which mainly comprised (i) an increase in trade receivables of RMB34.9 million, and (ii) an increase in prepayments, other receivables and other assets of RMB21.9 million.

In 2024, our net cash used in operating activities was RMB276.7 million, which was primarily attributable to our loss before tax of RMB139.7 million, adjusted for non-cash and non-operating items, including (i) change in fair value of redemption liabilities on equity shares of RMB135.3 million, and (ii) gains on disposal of equity investments of RMB73.1 million. The amount was further adjusted by the positive effect of changes in working capital, which mainly comprised (i) an increase in deferred income of RMB14.3 million, and (ii) an increase in trade payables of RMB7.8 million, partially offset by an increase in trade receivables of RMB16.2 million.

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In view of our net operating cash outflows and net current liabilities throughout the Track Record Period, we plan to improve such position by (i) rapidly advancing our pipeline products towards commercialization to generate revenue from product sales. In particular, in March 2025, based on clinical data from a registrational Phase III clinical trial of XTR008 in unresectable or metastatic, progressive, well-differentiated low-grade (G1) or intermediate-grade (G2) GEP-NETs, we submitted an NDA of XTR008 for the same indication to the NMPA, and the NMPA accepted our NDA in April 2025; (ii) further increasing our sales of pharmaceutical products, including the sales of XTR005 (^{18}F-Florbetaben Injection). We expect our revenue from the sales of pharmaceutical products will continue to achieve robust growth going forward through the expansion of our sales channels and market coverage; (iii) adopting comprehensive measures to effectively control our costs and operating expenses, primarily including research and development expenses and administrative expenses; (iv) enhancing working capital management efficiency. For example, we plan to adopt technological solutions to optimize our operational process and enhance our efficiency; and (v) successfully launching the Global Offering to obtain the proceeds.

Net Cash Flows Used in/Generated from Investing Activities

For the six months ended June 30, 2026, our net cash generated from investing activities was RMB62.6 million, primarily as a result of (i) proceeds from redemption of financial assets at FVTPL of RMB1,181.5 million, and (ii) withdrawal of time deposits of RMB141.2 million, partially offset by (i) purchase of financial assets at FVTPL of RMB1,175.0 million, and (ii) placement of time deposits of RMB92.3 million.

In 2025, our net cash generated from investing activities was RMB275.1 million, primarily as a result of (i) proceeds from redemption of financial assets at FVTPL of RMB2,498.3 million and (ii) withdrawal of time deposits of RMB381.0 million, partially offset by (i) purchase of financial assets at FVTPL of RMB2,360.0 million, and (ii) placement of time deposit of RMB166.3 million.

In 2024, our net cash used in investing activities was RMB601.7 million, primarily as a result of (i) purchases of financial assets at FVTPL of RMB788.0 million, and (ii) placement of time deposits of RMB452.1 million, partially offset by proceeds from redemption of financial assets at FVTPL of RMB540.0 million.

Net Cash Flows Generated from/Used in Financing Activities

For the six months ended June 30, 2026, our net cash generated from financing activities was RMB61.1 million, primarily as a result of (i) proceeds from issue of shares of RMB70.0 million, and (ii) proceeds from bank borrowings of RMB40.0 million, partially offset by repayment of bank borrowings of RMB39.7 million.

In 2025, our net cash generated from financing activities was RMB39.3 million, primarily as a result of proceeds from issue of shares of RMB80.0 million, partially offset by (i) repayment of bank borrowings of RMB27.3 million, and (ii) payment of lease liabilities of RMB11.4 million.

In 2024, our net cash generated from financing activities was RMB559.5 million, primarily as a result of (i) proceeds from issue of shares of RMB600.0 million, and (ii) proceeds from bank borrowings of RMB39.1 million, partially offset by acquisition of non-controlling interests of RMB35.0 million.

Net Current Assets/Liabilities

	As of December 31,		As of June 30,	As of September 30,
	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current assets				
Inventories	27,782	24,635	28,039	34,997
Trade receivables	24,002	55,991	70,932	64,922
Contract assets	–	5,045	12,413	24,598
Prepayments, other receivables and other assets	31,270	48,561	65,202	69,887
Financial assets at FVTPL	248,706	110,101	103,696	129,868
Cash and cash equivalents	471,878	449,054	341,600	285,994
Pledged deposits	410	30,000	–	–
Time deposits	531,778	275,240	410,910	342,141
Total current assets	**1,335,826**	**998,627**	**1,032,792**	**952,407**
Current liabilities				
Trade payables	34,538	38,703	54,830	57,682
Contract liabilities	4,613	4,490	15,873	19,634
Other payables and accruals	92,031	91,230	77,414	77,917
Interest-bearing bank borrowings	13,108	26,519	34,787	34,802
Lease liabilities	9,321	8,852	10,788	7,218
Tax payable	–	1,020	–	–
Redemption liabilities on equity shares	3,094,254	3,424,250	3,804,080	3,984,596
Total current liabilities	**3,247,865**	**3,595,064**	**3,997,772**	**4,181,849**
Net current liabilities	**(1,912,039)**	**(2,596,437)**	**(2,964,980)**	**(3,229,442)**

Our net current liabilities increased from RMB1,912.0 million as of December 31, 2024 to RMB2,596.4 million as of December 31, 2025, primarily due to (i) an increase of RMB330.0 million in redemption liabilities on equity shares, and (ii) a decrease of RMB256.5 million in time deposits.

Our net current liabilities increased from RMB2,596.4 million as of December 31, 2025 to RMB2,965.0 million as of June 30, 2026, primarily due to (i) an increase of RMB379.8 million in redemption liabilities on equity shares, and (ii) a decrease of RMB107.5 million in cash and cash equivalents, partially offset by an increase of RMB135.7 million in time deposits.

Working Capital Confirmation

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, financial assets at FVTPL and time deposits as of June 30, 2026, and the estimated net proceeds from the Global Offering, as well as cash burn rate, we have available sufficient working capital to cover at least 125% of the Group's costs, including research and development expenses, selling and distribution expenses and administrative expenses, for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly amount of (i) net cash used in operating activities, and (ii) capital expenditures. Assuming an average cash burn rate going forward of 1.2 times the level in 2025, we estimate that our cash and cash equivalent, time deposits and financial assets at FVTPL as of June 30, 2026 and committed unutilized banking facilities as of September 30, 2026 will be able to maintain our financial viability for 24 months, or, if we also take into account the estimated net proceeds (based on the Offer Price of HK$52.0 per Share, being the low-end of the indicative Offer Price range), 30 months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Research and development costs				
Research and development costs for Core Products				
– Preclinical and clinical trial expenses	21,232	15,774	8,165	7,803
– Employee benefit expenses	26,802	26,518	14,304	22,760
– Material expenses	4,673	4,697	546	2,283
– Others	2,071	2,992	1,955	1,302
Research and development costs for other product candidates				
– Preclinical and clinical trial expenses	36,045	36,574	18,129	32,977
– Employee benefit expenses	41,800	44,931	25,680	29,257
– Material expenses	15,400	17,585	6,922	17,943
– Others	11,429	40,972	19,511	11,030
Workforce employment costs	90,380	118,252	60,436	77,884
Direct production costs	27,294	63,048	29,539	38,795
Product marketing costs	17,868	29,012	10,282	14,119

INDEBTEDNESS

Our indebtedness mainly included redemption liabilities on equity shares, lease liabilities and interest-bearing bank borrowings during the Track Record Period. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of September 30, 2026. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since September 30, 2026 and up to the Latest Practicable Date.

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,	As of September 30,
	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current:				
Redemption liabilities on equity shares	3,094,254	3,424,250	3,804,080	3,984,596
Lease liabilities	9,321	8,852	10,788	7,218
Interest-bearing bank borrowings	13,108	26,519	34,787	34,802
	3,116,683	3,459,621	3,849,655	4,026,616
Non-current:				
Lease liabilities	28,927	20,006	15,172	21,866
Interest-bearing bank borrowings	147,095	116,415	108,420	113,371
	176,022	136,421	123,592	135,237
Total	**3,292,705**	**3,596,042**	**3,973,247**	**4,161,853**

Redemption Liabilities on Equity Shares

We designated the capital contributions made by certain investors with special rights as redemption liabilities on equity shares, which will be re-designated from liabilities to equity as a result of the termination of preferred rights upon the Listing. Major assumptions used in the valuation and the sensitivity analysis for capital contributions with preferred rights are presented in Note 27 to the Accountants' Report in Appendix I to this prospectus. As of December 31, 2024 and 2025 and June 30, 2026 and September 30, 2026, we recorded redemption liabilities on equity shares of RMB3,094.3 million, RMB3,424.3 million, RMB3,804.1 million and RMB3,984.6 million, respectively.

Lease Liabilities

Our lease liabilities are in relation to properties that we leased for our business operations. Our lease liabilities amounted to RMB38.2 million, RMB28.9 million, RMB26.0 million and RMB29.1 million as of December 31, 2024 and 2025 and June 30, 2026 and September 30, 2026, respectively.

Interest-bearing Bank Borrowings

Our interest-bearing bank borrowings consist of secured RMB-denominated bank loans that we borrowed with an effective interest rate ranging from 2.70% to 4.85% per annum. As of December 31, 2024 and 2025 and June 30, 2026 and September 30, 2026, our interest-bearing bank borrowings amounted to RMB160.2 million, RMB142.9 million, RMB143.2 million and RMB148.2 million, respectively. For more details, please see Note 26 to the Accountants' Report in Appendix I to this prospectus. As of September 30, 2026, we had committed unutilized banking facilities of RMB49.8 million.

The table below sets forth the breakdown of our interest-bearing bank borrowings for the periods indicated:

	As of December 31,		As of June 30,	As of September 30,
	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current				
Bank loans	13,108	26,519	34,787	34,802
Subtotal	*13,108*	*26,519*	*34,787*	*34,802*
Non-current				
Bank loans	147,095	116,415	108,420	113,371
Subtotal	*147,095*	*116,415*	*108,420*	*113,371*
Total	**160,203**	**142,934**	**143,207**	**148,173**

Our Directors confirm that as of the Latest Practicable Date, save as disclosed in Note 26 to the Accountants' Report in Appendix I to this prospectus, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, and there was no material breach of any covenant during the Track Record Period and up to the Latest Practicable Date.

TRANSACTIONS WITH RELATED PARTIES

During the Track Record Period, our related party transactions include purchase of research services, purchase of raw material and rental income. As of December 31, 2024 and 2025 and June 30, 2026, all the outstanding balance of trade receivables and trade payables were trade nature. For details, please see Note 35 to the Accountants' Report in Appendix I to this Prospectus. Our Directors confirm that all material related party transactions during the Track Record Period were conducted on an arm's length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

CAPITAL EXPENDITURE

In 2024 and 2025 and the first half of 2025 and 2026, our capital expenditures were RMB98.4 million, RMB75.2 million, RMB40.9 million and RMB33.9 million, respectively, which included purchases of property, plant and equipment as well as intangible assets. We regularly incur capital expenditures to purchase and maintain our property, plant and equipment and acquire intangible asset in order to enhance our research and development capabilities and expand our business operations, upgrade our facilities and increase our operating efficiency. The following table sets forth our capital expenditures for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Purchase of intangible assets	1,735	9,078	2,096	1,763
Purchase of property, plant and equipment	96,639	66,130	38,770	32,091
Total	**98,374**	**75,208**	**40,866**	**33,854**

Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

COMMITMENTS

We had the following contractual commitments as of the dates indicated:

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	55,592	11,622	10,430
Total	**55,592**	**11,622**	**10,430**

KEY FINANCIAL RATIO

The table below sets forth our key financial ratio as of the dates indicated.

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
Current ratio[(1)]	0.41	0.28	0.26

Note:

(1) Current ratio equals to current assets divided by current liabilities as of the same date.

FINANCIAL RISK DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, time deposits, financial assets at fair value through profit or loss, and interest-bearing bank borrowings and redemption liabilities on equity shares. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables, which arise directly from our operations. The main risks arising from our financial instruments are interest rate risk, credit risk and liquidity risk. The senior management reviews and agrees policies for managing each of these risks and they are summarized below. For more details, see Note 38 to the Accountants' Report in Appendix I to this prospectus.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, based on our Articles of Association and PRC Company Law, we can pay dividends, except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses. However, in light of our accumulated losses as disclosed in this prospectus, it is unlikely that we will have any plan to announce or pay dividends out of our profits in the foreseeable future.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

LISTING EXPENSES

Our listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. Based on the Offer Price of HK$60.0 per Share, our listing expenses in relation to the Global Offering are estimated to be approximately RMB55.3 million (HK$64.6 million), representing 16.4% of the gross proceeds. The listing expenses consist of (i) underwriting-related expenses, including underwriting commissions, of approximately RMB6.8 million (HK$7.9 million), and (ii) non-underwriting-related expenses of approximately RMB48.5 million (HK$56.7 million), comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately RMB28.5 million (HK$33.3 million), and (b) other fees and expenses of approximately RMB20.0 million (HK$23.4 million).

During the Track Record Period, we incurred listing expenses of RMB38.8 million, of which RMB31.8 million was charged to our consolidated statement of profit or loss and RMB7.0 million is attributable to the issue of Shares and will be deducted from equity upon Listing. We expect to incur additional listing expenses of approximately RMB16.5 million (HK$19.3 million) after the Track Record Period, approximately RMB9.2 million (HK$10.8 million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB7.3 million (HK$8.5 million) of which is attributable to the issue of Shares and will be deducted from equity upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details of our unaudited pro forma statement of adjusted net tangible assets, please see the section headed "Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets" in Appendix II to this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, and up to the date of this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND PROSPECTS

See "Business – Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$329.1 million, after deducting underwriting commissions, fees and other estimated expenses paid and payable by us in connection with the Global Offering, assuming the Over-Allotment Option being not exercised and an Offer Price of HK$60.0 per Share (being the mid-point of the indicative Offering Price range stated in this prospectus). If the Offer Price is set at HK$52.0 per Share (being the low-end of the indicative Offer Price range), the net proceeds from the Global Offering will decrease by approximately HK$50.4 million. If the Offer Price is set at HK$68.0 per Share (being the high-end of the indicative Offer Price range), the net proceeds from the Global Offering will increase by approximately HK$50.4 million.

Assuming the Offer Price is set at the mid-point of the indicative Offer Price range and that the Over-Allotment Option is not exercised, we intend to use the net proceeds from the Global Offering for the following purposes:

1. 88.0%, or approximately HK$289.5 million, will be used for the research, development and registrational filings of our Core Products, including:

   a. 33.0%, or approximately HK$108.7 million, will be used to fund research and development, clinical trials and registration filings of XTR008, of which:

      i. 24.9%, or approximately HK$81.9 million will be used to fund (i) the ongoing Phase III clinical trial of XTR008 for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. We initiated a Phase III clinical trial in June 2026, and expect to complete the clinical trial in the second half of 2028; and (ii) the CMC supplemental studies of XTR008 for G1 or G2 GEP-NETs.

      ii. 8.1%, or approximately HK$26.8 million will be used to fund the research and development of XTR008 for the treatment of meningioma. We submitted an IND application to the NMPA in June 2026. We received the IND approval in September 2026.

      The table below sets forth the details of our R&D and clinical trials for XTR008:

Jurisdictions	Clinical Trials and Timeframe	Patient/ Subject Number	Estimated R&D Expenses to be Incurred	Allocated Use of Proceeds
Chinese Mainland	Phase III clinical trial of XTR008 for SSTR-positive G3 GEP-NETs/PPGLs/NENs of other origins. The Company initiated such clinical trial in June 2026, with completion anticipated in the second half of 2028	85	RMB83.6 million	RMB59.8 million
Chinese Mainland	CMC supplemental studies and some final payments of XTR008 for G1 or G2 GEP-NETs. The Company initiated such studies in February 2026, and expects to complete it in December 2026.	N/A	RMB29.3 million	RMB10.4 million
Chinese Mainland	Phase II clinical trials of XTR008 for the treatment of meningioma. The Company obtained IND approval in September 2026, and expect to initiate such clinical trial in March 2027, and complete the patient enrollment in the second half of 2028	60	RMB58.8 million	RMB23.0 million
Total				**RMB93.2 million**

      See "Business – Product Candidates – Core Product – XTR008 – Registrational-Stage ^{177}Lu-labeled SSTR-targeted Radioligand – Clinical Development Plan;"

   b. 55.0%, or approximately HK$180.9 million, will be used to fund the clinical trials and registrational filings of XTR004, of which:

      i. 28.2%, or approximately HK$92.9 million will be used to fund the ongoing Phase III clinical trial of XTR004 for myocardial ischemia detection in China. We initiated this trial in November 2025, and expect to complete patient enrollment of the trial in the fourth quarter of 2027; and

      ii. 23.1%, or approximately HK$75.9 million will be used to fund the preclinical and clinical studies to explore XTR004 in coronary microvascular dysfunction detection, of which approximately HK$0.4 million will be used to fund the preclinical studies while approximately HK$75.5 million will be used to fund the Phase II and Phase III clinical trials. We plan to submit the IND application to the NMPA in December 2026.

iii. 3.7%, approximately HK$12.1 million will be used to fund the clinical studies for detecting flow-limiting stenosis in patients with suspected or known stable CAD in the U.S. We expect to submit the IND application to the FDA in December 2026.

The table below sets forth the details of our R&D and clinical trials for XTR004:

Jurisdictions	Clinical Trials and Timeframe	Patient/ Subject Number	Estimated R&D Expenses to be Incurred	Allocated Use of Proceeds
Chinese Mainland	Phase III clinical trial of XTR004 for myocardial ischemia detection. The Company initiated such clinical trial in November 2025, and expects to complete patient enrollment in the fourth quarter of 2027	395	RMB128.5 million	RMB79.6 million
Chinese Mainland	Phase II clinical trials of XTR004 for coronary microvascular dysfunction detection. The Company expects to submit IND application in December 2026, initiate such clinical trial in the second quarter of 2027, and complete it in the first half of 2028	80	RMB20.6 million	RMB18.8 million
Chinese Mainland	Phase III clinical trials of XTR004 for coronary microvascular dysfunction detection. The Company expects to initiate such clinical trial in the second half of 2028, and complete it in the second half of 2029	300	RMB47.6 million	RMB46.2 million
U.S.	Phase I clinical trials of XTR004 for detecting flow-limiting stenosis in patients with suspected or known stable CAD. The Company expects to submit IND application in December 2026, initiate such clinical trial in the second quarter of 2027, and complete it in the first half of 2028	12	RMB18.3 million	RMB10.4 million
Total				**RMB155.0 million**

Specifically, we plan to use RMB10.4 million of the net proceeds to fund the clinical development of XTR004 in the U.S., comprising:

(i) *Phase I clinical trials.* We plan to use RMB9.0 million to conduct the Phase I clinical trial of XTR004 in the United States involving 12 patients. We are currently selecting a clinical CRO for this trial and expect to finalize the selection by November 2026.

(ii) *Process development, quality studies and manufacturing supply chain.* We plan to use RMB1.4 million to support the manufacturing and supply of XTR004 in the U.S. We have engaged two CDMOs to support the process development, validation, quality studies and related manufacturing of the precursor and ancillary kit for XTR004, respectively. We have also engaged a U.S. CDMO as our local radiopharmaceutical manufacturing service provider to undertake technology transfer, preparation and supply of the ^{18}F radionuclide, and other manufacturing and clinical supply activities for the U.S. clinical batches of XTR004.

Our average R&D expenses per enrolled subject for the clinical trials of XTR004 in the U.S. is significantly higher than that of our two completed Phase II clinical trials in China, mainly because the clinical trial expenses in the U.S. are significantly higher than those in China. According to CIC, the clinical trial expenses in the U.S. are generally two to four times those in China. Therefore, we believe that such allocation is reasonable. For more details regarding clinical development plan, please see "Business – Product Candidates – Core Product – XTR004 – ^{18}F-labeled mitochondrial complex I-targeted PET-MPI Tracer – Clinical Development Plan."

2. 4.9%, or approximately HK$16.1 million, will be used for the research and development of our other product candidates, including:

a. 0.3%, or approximately HK$1.0 million, will be used to fund the ongoing Phase IIb clinical trial and a planned Phase III clinical trial of XTR003/^{18}F-FDG combined imaging for the detection of myocardial viability in China. We initiated the Phase IIb clinical trial in December 2025, and plan to complete patient enrollment of the Phase IIb clinical trial in the second quarter of 2027. We expect to initiate the Phase III clinical trial in the first half of 2028;

b. 0.3%, or approximately HK$0.9 million, will be used to fund the ongoing Phase III clinical trial of XTR006 in China. We expect to complete the Phase III clinical trial in the fourth quarter of 2027;

c. 1.4%, or approximately HK$4.6 million, will be used to fund the research and development of XTR015. We expect to complete patient enrollment of a registrational Phase III clinical trial of XTR015 in December 2026;

d. 0.3%, or approximately HK$0.9 million, will be used to fund the research and development of XTR024. We plan to submit IND applications to the NMPA for XTR024 in the fourth quarter of 2027;

e. 0.4%, or approximately HK$1.3 million, will be used to fund the research and development of XTR020. We submitted the ANDA to the NMPA in March 2026 and expect to receive the approval in the fourth quarter of 2027;

f. 0.7%, or approximately HK$2.2 million, will be used to fund the research and development of XTR021. We obtained IND approval for conducting Phase I and Phase II clinical trials for PSMA-positive mCRPC from the NMPA in June 2026. We initiated a Phase Ib study of a Phase Ib/II clinical trial and expect to complete patient enrollment of the Phase Ib study in March 2027;

g. 1.5%, or approximately HK$4.9 million, will be used to fund the research and development of XTR022. We plan to submit an IND application to the NMPA and the FDA for XTR022 in the fourth quarter of 2027; and

h. 0.1%, or approximately HK$0.3 million, will be used to fund the research and development of XTR025. We plan to submit an IND application to the NMPA for XTR025 in the fourth quarter of 2027.

3. 1.1%, or approximately HK$3.5 million will be used for the reinforcement of our sales and marketing capabilities, including recruitment of additional sales and marketing personnel with extensive knowledge and experience in radiopharmaceutical industry and conducting various marketing activities to increase the visibility of our products. We plan to gradually recruit approximately ten additional sales and marketing employees in 2027 to support the commercialization of our pipeline products, including 5 employees focusing on diagnostic radiopharmaceuticals and 5 employees focusing on therapeutic radiopharmaceuticals. Our marketing activities are expected to primarily include organizing or sponsoring compliant academic seminars and departmental meetings, conducting online and offline medical education activities, and inviting medical experts to participate in academic exchanges.

4. 1.1%, or approximately HK$3.5 million, will be used for the construction of a new manufacturing facility in Tianjin, including (i) approximately HK$2.0 million for construction costs; and (ii) approximately HK$1.5 million for the purchase of production equipment. This strategic expansion aims to ensure the timely delivery of our products to customers across northern China, improving the accessibility of our products and extending our geographical reach. We plan to commence the construction of such facility in the first quarter of 2027 and expect to commence production in the second half of 2030. See "Business – Manufacturing – Manufacturing Facilities."

5. 5.0%, or approximately HK$16.5 million, will be used for working capital and other general corporate purposes.

The above allocation of the net proceeds from the Global Offering will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range stated in this prospectus.

If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK$385.8 million, assuming an Offer Price of HK$60.0 per Share (being the mid-point of the indicative Offering Price range stated in this prospectus). In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purposes in the proportions stated above.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).

In the event of any material change in our use of net proceeds of the Global Offering from the purposes described above or in our allocation of the net proceeds among the purposes described above, a formal announcement will be made.

HONG KONG UNDERWRITERS

GF Securities (Hong Kong) Brokerage Limited
China International Capital Corporation Hong Kong Securities Limited
CLSA Limited
CMB International Capital Limited
DBS Asia Capital Limited
China Galaxy International Securities (Hong Kong) Co., Limited
BOCI Asia Limited
ABCI Securities Company Limited
Guolian Securities International Capital Co., Limited
BOCOM International Securities Limited
CMBC Securities Company Limited
Zheshang International Financial Holdings Co., Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global Limited

(in no particular order)

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 656,100 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus at the Offer Price.

Subject to the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to severally (and not jointly or jointly and severally) subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

Grounds for Termination

The Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) shall, in their sole and absolute discretion, be entitled by notice (in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

(a) there shall develop, occur, exist or come into effect:

  (i) any event or series of events or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international or regional emergency or war, calamity, crisis, epidemic, pandemic, outbreak of diseases or its escalations, mutation or aggravation (including, without limitation, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) and such related/mutated forms), accidents or prolonged interruption or delay in transportation, economic sanctions, strikes, labour disputes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, riots, rebellion, civil commotion, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)), paralysis in government operations, interruptions or delay in transportation in or affecting Hong Kong, the PRC, the United States, Japan, Singapore, the United Kingdom, the European Union (or any member thereof), or any other jurisdictions relevant to any member of the Group (collectively, the "**Relevant Jurisdictions**"); or

(ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions, equity securities or exchange control or any monetary or trading settlement system (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or

(iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at Federal or New York State level or other competent authority), London, or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

(v) any new Law (as defined in the Hong Kong Underwriting Agreement), or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting any of the Relevant Jurisdictions; or

(vi) the imposition of sanctions, in whatever form, or the withdrawal of trading privileges, directly or indirectly, under any sanction Laws (as defined in the Hong Kong Underwriting Agreement), or regulations in, Hong Kong, the PRC or any of the Relevant Jurisdiction; or

(vii) a change or development involving a prospective change in or affecting taxes or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or

(viii) any litigation or claim of any third party being threatened or instigated against any member of the Group; or

(ix) a Director or a member of the Group's senior management as named in this prospectus being charged with an indictable offense, or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(x) a contravention by any member of the Group of the Listing Rules or applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xi) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the H Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or any other applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xii) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the H Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xiii) any change or prospective change or development, or a materialization of, any of the risks set out in the section headed "Risk Factors" of this prospectus; or

(xiv) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity or any loss or damage sustained by that member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person),

which, individually or in the aggregate, in the sole and absolute opinion of the Overall Coordinators and the Joint Sponsors: (A) has or will or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or (B) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (C) make or will or may make it inadvisable or inexpedient or impracticable for the Global Offering, to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Related Documents (as defined below); or (D) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

(b) there has come to the notice of the Overall Coordinators or the Joint Sponsors:

(i) that any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the formal notice, the Operative Documents (as defined in the Hong Kong Underwriting Agreement), the Preliminary Offering Circular (as defined in the Hong Kong Underwriting Agreement), the PHIP (as defined in the Hong Kong Underwriting Agreement) and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (collectively, the "**Offer Related Documents**") (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete or misleading or deceptive in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material misstatement in or omission from any of the Offer Related Documents (including any supplement or amendment thereto); or

(iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the provisions under the Hong Kong Underwriting Agreement; or

(v) any adverse change, or any development involving a prospective adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, earnings, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or

(vi) any breach of, or any event or circumstance rendering untrue or incorrect, incomplete or misleading in any respect, any of the Warranties (as defined in the Hong Kong Underwriting Agreement); or

(vii) the chairman of the Board, any member of senior management of our Company or any of the Directors vacating his or her office; or

(viii) an Authority (as defined in the Hong Kong Underwriting Agreement) or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of our Group, or any Director or a member of our Company's senior management as disclosed in this prospectus; or

(ix) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the H Shares to be issued or sold (including any additional H Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(x) that our Company withdraws any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) or the Global Offering; or

(xi) that any expert (other than the Joint Sponsors) specified in this prospectus, whose consent is required for the issue of the prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its consent to being named in this prospectus or to the issue of any of the Offer Related Documents; or

(xii) that there is a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xiii) any Director or member of senior management of our Company as disclosed in this prospectus being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or that there is the commencement by any governmental, political or regulatory body of any investigation or other action against any Director or member of senior management of our Company in his/her capacity as such, or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action; or

(xiv) that there is any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(xv) that any Side Arrangement (as defined in the Hong Kong Underwriting Agreement) exists or has been entered into or proposed, or that our Company or any member of the Single Largest Shareholders Group is in breach of any of its/his/her representations, warranties or undertakings in relation to Side Arrangements under the Hong Kong Underwriting Agreement.

In addition, if any Joint Sponsor or Overall Coordinator becomes aware of any of the matters described in paragraph (b)(xv) above prior to 8:00 a.m. on the Listing Date, it may, by written notice to our Company and the other Joint Sponsors and Overall Coordinators, individually terminate with immediate effect its appointment and obligations under the Hong Kong Underwriting Agreement and its engagement in connection with the Global Offering, without liability to any party; or

(xvi) (A) that the notice of acceptance of the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable laws.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

In accordance with Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the date on which securities of our Company first commence dealing on the Stock Exchange (whether or not such issue of shares or securities, or sale or transfer of treasury shares will be completed within six months from the commencement of dealing), except for the issue of shares or securities pursuant to the Global Offering (including the exercise of the Over-allotment Option) or for circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Our Company has undertaken to the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters and each of them not to (save for the issue, offer or sale of the Offer Shares by our Company pursuant to the Global Offering, including pursuant to any exercise of the Over-allotment Option), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the last date of the six months after the Listing Date (the "**First Six-Month Period**"):

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of our Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, as applicable); or

(c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or

(d) offer to or contract to or agree to announce, or publicly disclose any intention to effect any transaction described in paragraphs (a), (b) or (c) above,

in each case, whether any such transaction described in paragraphs (a), (b) or (c) above is to be settled by delivery of share capital or such other securities of our Company, in cash or otherwise (whether or not the issue of such share capital or other securities of our Company will be completed within the First Six-Month Period), provided that the foregoing restrictions shall not apply to the issue of the H Shares by our Company pursuant to the Global Offering.

In the event that, at any time during the period of six months immediately following the expiration of the First Six-Month Period (the "**Second Six-Month Period**"), our Company enters into any of the transactions specified above or offers or agrees or contracts to, or announces, or publicly discloses, any intention to, enter into any such transactions, our Company will take all reasonable steps to ensure that it will not create a disorderly or false market in the H Shares or other securities of our Company. Each member of the Single Largest Shareholders Group hereby undertakes to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters to procure our Company to comply with the undertakings.

Undertakings by our Single Largest Shareholders Group

Each member of the Single Largest Shareholders Group has hereby jointly and severally undertaken to our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except as pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option) or otherwise in compliance with the Listing Rules, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a) during the First Six-Month Period, none of them will, and each of them will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/her/it will not:

(i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable) beneficially owned by him/her/it as at the Listing Date (the "**Locked-up Securities**"), or deposit any Locked-up Securities with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or contract to or agree to or announce that the Single Largest Shareholders Group will or may enter into any transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any such transaction described in paragraphs (a)(i), (a)(ii) or (a)(iii) above is to be settled by delivery of such Shares or other securities of our Company, in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period);

(b) during the First Six-Month Period and Second Six-Month Period, each member of the Single Largest Shareholders Group will:

(i) if and when any of them or the relevant registered holder(s) pledges or charges any Locked-up Securities, immediately inform our Company, the Joint Sponsors and the Overall Coordinators in writing of such pledge or charge together with the number of Locked-up Securities so pledged or charged;

(ii) if and when he/it or the relevant registered holder(s) receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities will be disposed of, immediately inform our Company, the Joint Sponsors and the Overall Coordinators in writing of such indications; and

(c) until the expiry of the Second Six-Month Period, in the event that he/it enters into any of the transactions specified in paragraphs (a)(i), (a)(ii) or (a)(iii) above or offers to or agrees to or announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of our Company.

Our Company hereby undertakes to the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that upon receiving such information in writing from the Single Largest Shareholders Group it will, as soon as practicable and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

For the avoidance of doubt, the restrictions above do not apply to (i) any additional Shares or other securities of our Company or any interest therein acquired by the Single Largest Shareholders Group after the Listing; or (ii) any pledge or charge of any Shares or other equity securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of our Company) after the Global Offering in favor of an authorized institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Indemnity

Each of our Company and the Single Largest Shareholders Group has agreed to indemnify, among others, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including, amongst others, losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by them, respectively of the Hong Kong Underwriting Agreement or certain provisions thereof.

Joint Sponsors' Fee

An amount of US$1.0 million is payable by our Company as sponsor fees to the Joint Sponsors.

The International Offering

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with, among others, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares (excluding, for the avoidance of doubt, the Offer Shares which are subject to the Over-allotment Option), failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to an aggregate of 984,150 additional Offer Shares representing no more than 15.00% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover, among other things, over-allocations (if any) in the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Total Commission and Expenses

The Capital Market Intermediaries and the Underwriters will receive an underwriting commission (the "**Fixed Fees**") equals to 2.5% of the aggregate sale proceeds from the Global Offering (including any proceeds arising from the exercise of any Over-allotment Option) (collectively the "**Gross Proceeds**"). Our Company may, at our sole and absolute discretion, pay to one or more Capital Market Intermediaries or Underwriters an incentive fee up to 1.5% of the Gross Proceeds (the "**Discretionary Fees**"). Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable to all Underwriters is 62.5:37.5. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

Assuming the Over-allotment Option is not exercised and based on an Offer Price of HK$52.0 (being the low-end of the stated range of the Offer Price and assuming the Over-allotment Option is not exercised), the aggregate commissions and fees, together with listing fees, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, legal and other professional fees and other expenses, payable by our Company relating to the Global Offering are estimated to be approximately HK$62.5 million in total.

Activities by Syndicate Members

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering (together, referred to as "**Syndicate Members**") and their affiliates may each individually undertake and (as further described below) which do not form part of the underwriting or the stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their or part of their underlying assets, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in "– Over-allotment Option" and "– Stabilization" in the section headed "Structure of the Global Offering" in this prospectus. These activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following. The Syndicate Members (other than the Stabilizing Manager, its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Hong Kong Underwriters' Interests in our Company

Save as otherwise disclosed in this prospectus and save for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Other Services to our Company

The Overall Coordinators and certain of the Underwriters or their respective affiliates have, from time to time, provided and expect to provide in the future investment banking and other services to our Company and our respective affiliates, for which such Overall Coordinators, Underwriters or their respective affiliates have received or will receive customary fees and commissions.

Other Services Provided by the Underwriters

The Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters may in their ordinary course of business provide financing to investors subscribing for the Offer Shares offered by this prospectus. Such Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Underwriters may enter into hedges and/or dispose of such Offer Shares in relation to the financing which may have a negative impact on the trading price of our H Shares.

Over-allotment Option and Stabilization

Details of the arrangements relating to the Over-allotment Option and the stabilization are set forth in "– Over-allotment Option" and "– Stabilization" in the section headed "Structure of the Global Offering" in this prospectus.

Independence of the Joint Sponsors

As at the Latest Practicable Date:

- approximately 3.94% of the total number of Shares was held by CICC Qide, the general partner of which was CICC Capital Management Co., Ltd., which is a wholly-owned subsidiary of China International Capital Corporation Limited, a company whose shares are listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995);
- approximately 2.72% of the total number of Shares was held by Hetang Innovation, the general partner of which was Beijing Hetang Qingjian Biotechnology Co., Ltd. (北京荷塘清健生物科技有限公司) and the fund manager of which was Lotus Lake Venture Capital Management (Beijing) Co., Ltd. (荷塘創業投資管理(北京)有限公司). Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) ("**Beijing Innovation Fund**"), in which a member of the CICC Sponsor Group serves as a general partner, holds 40% of the partnership interests in Hetang Innovation as a limited partner;
- approximately 3.20% of the total number of Shares was held by Tongfu Fund, the general partner of which was Beijing Tongchuang Gaoke Investment Partnership (Limited Partnership) (北京同創高科投資合夥企業(有限合夥)) and the fund manager of which was China Nuclear Industrial Funds Management Co., Ltd. (中核產業基金管理有限公司), which is wholly owned by China Nuclear Industry Construction Group Capital Holdings Co., Ltd. (中國核工業集團資本控股有限公司) and ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). Beijing Innovation Fund, in which a member of the CICC Sponsor Group serves as a general partner, holds approximately 4.09% of the partnership interests in Tongfu Fund as a limited partner; and
- approximately 0.96% of the total number of Shares was held by Guoke Dingzhi, the general partner and fund manager of which was CASH Capital (Beijing) Investment Management Co., Ltd. (國科嘉和(北京)投資管理有限公司). Beijing Innovation Fund, in which a member of the CICC Sponsor Group serves as a general partner, holds approximately 20.00% of the partnership interests in Guoke Dingzhi as a limited partner, and Zhongjin Qiyuan, in which a member of the CICC Sponsor Group serves as a general partner, holds approximately 4.71% of the partnership interests in Guoke Dingzhi as a limited partner.

Dr. Huang Xu, our non-executive Director, has been serving as managing director at CICC Capital Management Co., Ltd. since April 2020.

China International Capital Corporation Hong Kong Securities Limited does not satisfy the independence criteria applicable to sponsors under Rule 3A.07 of the Listing Rules because China International Capital Corporation Hong Kong Securities Limited, its sponsor group (as defined under the Listing Rules), its directors or its directors' close associates collectively holds and will, immediately following the completion of the Global Offering, hold, directly or indirectly, more than 5% of the number of issued Shares of the Company.

As at the Latest Practicable Date,

- approximately 7.71% of the total number of Shares was held by GoldStone New Material Fund, the general partner of which is CITIC GoldStone Investment Co., Ltd. (中信金石投資有限公司), which is a wholly-owned subsidiary of CITIC Securities Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 6030);
- approximately 1.21% of the total number of Shares was held by Maotai GoldStone Fund, the general partner of which is CITIC GoldStone Investment Co., Ltd. (中信金石投資有限公司), which is a wholly-owned subsidiary of CITIC Securities Company Limited;
- approximately 0.96% of the total number of Shares was held by CITIC Securities Investment Co., Ltd., which is a wholly-owned subsidiary of CITIC Securities Company Limited.

CITIC Securities (Hong Kong) Limited does not satisfy the independence criteria applicable to sponsors under Rule 3A.07 of the Listing Rules because CITIC Securities (Hong Kong) Limited, its sponsor group (as defined under the Listing Rules), its directors or its directors' close associates collectively holds and will, immediately following the completion of the Global Offering, hold, directly or indirectly, more than 5% of the number of issued Shares of the Company.

As at the Latest Practicable Date, approximately 0.84% of the total number of Shares was held by GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), which is a wholly-owned subsidiary of GF Securities Co., Ltd. (廣發証券股份有限公司). GF Securities Co., Ltd. is a company whose shares are listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776).

Notwithstanding the aforesaid, (i) none of GF Capital (Hong Kong) Limited, its sponsor group (as defined under the Listing Rules), its directors or its directors' close associates collectively holds and will, immediately following the completion of the Global Offering, hold, directly or indirectly, more than 5% of the number of issued Shares of the Company and (ii) GF Capital (Hong Kong) Limited, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Main Board of the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued or sold pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option).

6,561,000 Offer Shares will initially be made available under the Global Offering comprising:

- the Hong Kong Public Offering of 656,100 H Shares (subject to reallocation) in Hong Kong as described in "– The Hong Kong Public Offering" in this section below; and
- the International Offering of 5,904,900 H Shares (subject to reallocation and the Over-allotment Option) outside the United States in offshore transactions in reliance on Regulation S, as described in "– The International Offering" in this section below.

Investors may either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10.0% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering, assuming the Over-allotment Option are not exercised. If the Over-allotment Option is exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 11.3% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 656,100 Offer Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.00% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 1.0% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed "– Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B (with any odd lots being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 328,050 Hong Kong Offer Shares (being approximately 50% of the Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 328,050 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 984,150 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering, and the final offer price shall be fixed at the bottom end of the indicative offer price range (i.e. HK$52.0 per offer share), in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B in equal proportion and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators in their discretion consider appropriate.

In the event that both the Hong Kong Public Offering and International Offering are undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the allotment results announcement of our Company.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the maximum Offer Price in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$3,434.29 for one board lot of 50 Offer Shares. If the Offer Price, as finally determined in the manner described in "– Pricing and Allocation" in this section below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. See the section headed "How to Apply for Hong Kong Offer Shares – D. Credit of Allotted Shares and Refund of Application Monies" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares Offered

The International Offering will consist of 5,904,900 Shares (subject to reallocation and the Over-allotment Option), representing approximately 90.00% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 9.0% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares outside the United States in reliance on Regulation S. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "– Pricing and Allocation" in this section below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation and Clawback

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement described in "– The Hong Kong Public Offering – Reallocation" in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 984,150 additional H Shares (representing not more than 15.00% of the Offer Shares initially available under the Global Offering) at the Offer Price, to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 1.5% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may make purchases, over-allocate or effect transactions in the market or otherwise take such stabilizing action(s) with a view to supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (i) will be conducted at the sole and absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in clauses (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that: (i) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares; (ii) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position; (iii) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares; (iv) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall; (v) the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and (vi) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In effecting stabilization actions, the Stabilizing Manager (or any person acting for it) may arrange cover up to an aggregate of 984,150 additional H Shares (representing not more than 15.00% of the Offer Shares initially available under the Global Offering), through delayed delivery arrangements with investors who have been offered Offer Shares under the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether sufficient number of H Shares will be made available under delayed delivery arrangements. There will be no stabilization actions and no exercise of the Over-allotment Option should no investors be willing to enter into such delayed delivery arrangements.

Our Company will ensure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of the H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, using the H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price.

PRICING AND ALLOCATION

Determining the Pricing of the Offer Shares

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or before Friday, November 20, 2026 and, in any event, no later than 12:00 noon on Friday, November 20, 2026, by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$68.0 per Offer Share and is expected to be not less than HK$52.0 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, (subject to application channel) the maximum Offer Price plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$3,434.29 for one board lot of 50 Offer Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered below and/or the Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at **www.sinotau.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Final Pricing of the Offer Shares

The final pricing of the Offer Shares, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares – B. Publication of Results" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on: (i) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option), on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date; (ii) the pricing of the Offer Shares having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company; (iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and (iv) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Friday, November 20, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company and the Stock Exchange at **www.sinotau.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares – D. Credit of Allotted Shares and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Title to Shares will be effective starting from 8:00 a.m. on Tuesday, November 24, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, November 24, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, November 24, 2026.

The H Shares will be traded in board lots of 50 H Shares each and the stock code of the H Shares will be 9941.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.sinotau.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or you and the person(s) for whose benefit you are applying for: (i) are 18 years of age or older; (ii) have a Hong Kong address (*for the **White Form eIPO** service only*); and (iii) are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for: (i) are an existing Shareholder or his/her/its close associates; or (ii) are a Director or a Supervisor or chief executive of our Company, or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, November 16, 2026 and end at 12:00 noon on Thursday, November 19, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	**www.eipo.com.hk** Enquiries: +852 2862 8555	Investors who would like to receive Hong Kong Offer Shares successfully applied for in your own name.	From 9:00 a.m. on Monday, November 16, 2026 to 11:30 a.m. on Thursday, November 19, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, November 19, 2026, Hong Kong time.
HKSCC EIPO channel	Your **broker** or **custodian** who is a HKSCC Participant will submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would like to receive Hong Kong Offer Shares successfully applied for in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. Hong Kong identity ("**HKID**") card; or
  ii. Other National identification document; or
  iii. Passport; and
- Identity document number

For Non-individual Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. LEI registration document; or
  ii. Certificate of incorporation; or
  iii. Business registration certificate; or
  iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, (such as a sole proprietorship or partnership) and not a body corporate, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at four[(1)] in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), (ii) the identity document's issuing country or jurisdiction, (iii) the identity document type; and (iv) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 50 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/ successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$68.0 per Offer Share.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such prefunding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Offer Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

(1) Subject to change, if the Articles of Association and applicable company law prescribe a lower cap.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[1] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
50	3,434.29	800	54,948.62	7,000	480,800.45	100,000	6,868,578.00
100	6,868.57	900	61,817.20	8,000	549,486.25	125,000	8,585,722.50
150	10,302.88	1,000	68,685.78	9,000	618,172.02	150,000	10,302,867.00
200	13,737.16	1,500	103,028.66	10,000	686,857.80	175,000	12,020,011.50
250	17,171.45	2,000	137,371.55	20,000	1,373,715.60	200,000	13,737,156.00
300	20,605.73	2,500	171,714.46	30,000	2,060,573.40	225,000	15,454,300.50
350	24,040.02	3,000	206,057.35	40,000	2,747,431.20	250,000	17,171,445.00
400	27,474.31	3,500	240,400.24	50,000	3,434,289.00	275,000	18,888,589.50
450	30,908.61	4,000	274,743.12	60,000	4,121,146.80	300,000	20,605,734.00
500	34,342.89	4,500	309,086.01	70,000	4,808,004.60	328,050[2]	22,532,370.13
600	41,211.47	5,000	343,428.90	80,000	5,494,862.40		
700	48,080.05	6,000	412,114.68	90,000	6,181,720.20		

Notes:

(1) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and Accounting and Financial Reporting Council ("**AFRC**") transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the ASR (for applications made through **White Form eIPO** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

(2) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "– A. Applications for Hong Kong Offer Shares – 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or our Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "**Relevant Persons**"), the ASR and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the ASR, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "– G. Personal Data – 3. Purposes" and "– G. Personal Data – 4. Transfer of Personal Data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the ASR by way of publication of the results at the time and in the manner as specified in the paragraph headed "– B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "– C. Circumstances in which you will not be allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the Directors, Supervisors, chief executives of our Company, substantial Shareholder(s) or existing Shareholder(s) or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the Directors, Supervisors, chief executives of our Company, substantial Shareholder(s) or existing Shareholder(s) or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (a) no other application has been or will be made by you as agent for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or the **White Form eIPO** Service Provider and (b) you have due authority to give **electronic application instructions** on behalf of that person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID Number" function.	24 hours, from 11:00 p.m. on Monday, November 23, 2026 to 12:00 midnight on Sunday, November 29, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.sinotau.com** which will provide links to the abovementioned websites of the ASR.	No later than 11:00 p.m. on Monday, November 23, 2026 (Hong Kong time).
Telephone	+852 2862 8555 – the allocation results telephone enquiry line provided by the ASR	between 9:00 a.m. and 6:00 p.m., from Tuesday, November 24, 2026 to Friday, November 27, 2026 (Hong Kong time) on a business day.

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Friday, November 20, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, November 20, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.sinotau.com** by no later than 11:00 p.m. on Monday, November 23, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the ASR and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either: (i) within three weeks from the closing date of the application lists; or (ii) within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. **If:** (i) you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "– A. Application for Hong Kong Offer Shares – 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications; (ii) your application instruction is incomplete; (iii) your payment (or confirmation of funds, as the case may be) is not made correctly; (iv) the Underwriting Agreements do not become unconditional or are terminated; (v) we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the ASR and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. CREDIT OF ALLOTTED SHARES AND REFUND OF APPLICATION MONIES

1. Credit of allotted shares

As the Shares are Participating Securities (which has the meaning given to it by Rule 4 of the USM Rules to be issued in Uncertificated Form on Monday, November 23, 2026:

- If you applied through the **HKSCC EIPO** channel, the allotted Hong Kong Offer Shares will be registered in the name of HKSCC Nominees and deposited directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf. No action by you is required.
- If you applied through **White Form eIPO** service, Hong Kong Offer Shares allotted to you will be registered in your name. If you have a USI Facility held with the ASR, you can view and transfer your Shares via the ASR's UNSRT system. If you do not have a USI Facility held with the ASR, you are recommended to set one up by contacting the ASR directly at +852 2862 8555. If you do not have a USI Facility held with the ASR and you are allotted the Shares, you will become a provisional system-member to receive the Shares but will not be able to transfer title to the Shares via the ASR's UNSRT system.
- We will not issue: (i) any document of title in respect of the Shares allocated to you; or (ii) receipt for sums paid on application.
- Title to Shares will be effective starting from 8:00 a.m. on the Listing Date (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade prior to the time mentioned above do so entirely at their own risk.

2. Refund mechanism for surplus application monies paid by you

	White Form eIPO service	**HKSCC EIPO channel**
Date	Tuesday, November 24, 2026	Subject to the arrangement between you and your **broker** or **custodian**
Responsible party	ASR	Your **broker** or **custodian**
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account	Your **broker** or **custodian** will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk, or available for collection under the condition and the time specified in the "Expected Timetable" section.	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, November 19, 2026 if, there is/are: (i) a No. 8 typhoon warning signal or above; (ii) a black rainstorm warning signal; and/or (iii) Extreme Conditions (collectively, "**Severe Weather Signals**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, November 19, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.sinotau.com** of the revised timetable.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the ASR, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the ASR in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the ASR is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the ASR.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the ASR to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the credit of H Shares to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the ASR immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes: (i) processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares; (ii) compliance with applicable laws and regulations in Hong Kong and elsewhere; (iii) registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees; (iv) maintaining or updating the register of holders of H Shares of our Company; (v) verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares; (vi) facilitating Hong Kong Offer Shares balloting; (vii) establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.; (viii) distributing communications from our Company and its subsidiaries; (ix) compiling statistical information and profiles of the holder of the H Shares; (x) disclosing relevant information to facilitate claims on entitlements; and (xi) any other incidental or associated purposes relating to the above and/or to enable our Company and the ASR to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the ASR relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the ASR may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following: (i) our Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar; (ii) HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the ASR for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS); (iii) any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the ASR in connection with their respective business operation; (iv) the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and (v) any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

Our Company and the ASR will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the ASR hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the ASR have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the ASR, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the ASR for the attention of the privacy compliance officer.

Our H Shares are participating securities from the Listing Date and will be issued in Uncertificated Form and no physical share certificate(s) will be issued and dispatched.

Pursuant to Rule 28(3) of the USM Rules, where our Company issues any subscription warrants or rights under a rights issue with regards the abovementioned H Shares, such warrants or rights will also be regarded as participating securities on or before the date of listing of such warrants or rights.

If you wish to hold and manage your uncertificated holdings in your own name, you are highly encouraged to supply your USI identifier, assigned to you by the ASR, during the IPO application process. While it is not mandatory to supply a USI identifier upon application for such a purpose, if you are successfully allotted new shares in your name without an USI identifier, you will have the status of a provisional system-member only. Until you set up an USI facility, you will not be able to manage your Shares or perform actions including a transfer of holdings or the submission of certain corporate action instructions.

Holders can refer to the Company's website at **www.sinotau.com** for further information and **https://dev.vn.euroland.com:8148/en/investor-relations/uncertificated-securitiesmarket/** dedicated to USM matters. Holders are suggested to visit our ASR's website at **www.eipo.com.hk** for information on how to setup an USI facility and for contact points for handling any enquiries.

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING SINOTAU INTERNATIONAL PHARMACEUTICAL TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, CITIC SECURITIES (HONG KONG) LIMITED AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-86, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-86 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 16 November 2026 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
16 November 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
REVENUE	5	44,064	99,210	36,908	61,254
Cost of sales		(40,686)	(84,187)	(24,887)	(43,267)
Gross profit		3,378	15,023	12,021	17,987
Other income and gains	5	100,980	81,210	26,744	18,726
Selling and distribution expenses		(24,353)	(57,219)	(18,077)	(37,970)
Impairment of financial and contract assets, net		(1,257)	(5,938)	(3,812)	(1,369)
Administrative expenses		(106,591)	(142,822)	(78,350)	(60,640)
Research and development expenses		(227,982)	(237,523)	(106,873)	(156,554)
Change in fair value of redemption liabilities on equity shares	27	135,290	(250,023)	(147,838)	(309,830)
Share of (losses)/profits of associates		(8,111)	(1,304)	(650)	1,415
Other expenses		(341)	(4,974)	(3,236)	(1,102)
Finance costs	7	(10,732)	(7,971)	(2,400)	(3,320)
LOSS BEFORE TAX		(139,719)	(611,541)	(322,471)	(532,657)
Income tax expense	10	(16,397)	(6,867)	(5,708)	(1,283)
LOSS FOR THE YEAR/PERIOD		(156,116)	(618,408)	(328,179)	(533,940)
Attributable to:					
Owners of the parent		(149,286)	(610,598)	(323,862)	(530,179)
Non-controlling interests		(6,830)	(7,810)	(4,317)	(3,761)
		(156,116)	(618,408)	(328,179)	(533,940)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12				
Basic (RMB)		(2.84)	(10.34)	(5.48)	(8.98)
Diluted (RMB)		(3.34)	(10.34)	(5.48)	(8.98)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
LOSS FOR THE YEAR/PERIOD	(156,116)	(618,408)	(328,179)	(533,940)
OTHER COMPREHENSIVE INCOME/(LOSS)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of the Group's subsidiaries not operating in Chinese mainland	1,963	(3,583)	(704)	(5,462)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	1,963	(3,583)	(704)	(5,462)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	(154,153)	(621,991)	(328,883)	(539,402)
Attributable to:				
Owners of the parent	(147,323)	(614,181)	(324,566)	(535,641)
Non-controlling interests	(6,830)	(7,810)	(4,317)	(3,761)
	(154,153)	(621,991)	(328,883)	(539,402)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December		30 June
	Notes	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	527,231	542,529	535,893
Right-of-use assets	*14(a)*	69,477	60,027	66,915
Intangible assets	*15*	8,426	15,972	15,250
Investments in associates	*16*	12,505	14,702	16,117
Prepayments, other receivables and other assets	*20*	84,683	66,944	65,281
Time deposits	*22*	240,668	287,714	103,363
Total non-current assets		942,990	987,888	802,819
CURRENT ASSETS				
Inventories	*17*	27,782	24,635	28,039
Trade receivables	*18*	24,002	55,991	70,932
Contract assets	*19*	–	5,045	12,413
Prepayments, other receivables and other assets	*20*	31,270	48,561	65,202
Financial assets at fair value through profit or loss	*21*	248,706	110,101	103,696
Cash and cash equivalents	*22*	471,878	449,054	341,600
Pledged deposits	*22*	410	30,000	–
Time deposits	*22*	531,778	275,240	410,910
Total current assets		1,335,826	998,627	1,032,792
CURRENT LIABILITIES				
Trade payables	*23*	34,538	38,703	54,830
Contract liabilities	*24*	4,613	4,490	15,873
Other payables and accruals	*25*	92,031	91,230	77,414
Interest-bearing bank borrowings	*26*	13,108	26,519	34,787
Lease liabilities	*14(b)*	9,321	8,852	10,788
Tax payable		–	1,020	–
Redemption liabilities on equity shares	*27*	3,094,254	3,424,250	3,804,080
Total current liabilities		3,247,865	3,595,064	3,997,772
NET CURRENT LIABILITIES		(1,912,039)	(2,596,437)	(2,964,980)
TOTAL ASSETS LESS CURRENT LIABILITIES		(969,049)	(1,608,549)	(2,162,161)

	Notes	31 December 2024 RMB'000	31 December 2025 RMB'000	30 June 2026 RMB'000
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	28,927	20,006	15,172
Interest-bearing bank borrowings	*26*	147,095	116,415	108,420
Other payables and accruals	*25*	6,481	74	74
Deferred income	*28*	19,153	21,783	20,277
Total non-current liabilities		201,656	158,278	143,943
Net liabilities		(1,170,705)	(1,766,827)	(2,306,104)
DEFICIENCY IN ASSETS				
Equity attributable to owners of the parent				
Share capital	*30*	59,049	59,049	59,049
Reserves	*32*	(1,225,510)	(1,813,822)	(2,349,338)
Subtotal		(1,166,461)	(1,754,773)	(2,290,289)
Non-controlling interests		(4,244)	(12,054)	(15,815)
Total deficit		(1,170,705)	(1,766,827)	(2,306,104)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Other reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total deficiency in assets
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	52,219	2,172,661	(2,202,614)	61,812	1,696	(1,104,992)	(1,019,218)	11,753	(1,007,465)
Loss for the year	–	–	–	–	–	(149,286)	(149,286)	(6,830)	(156,116)
Other comprehensive income for the year									
Exchange differences on translation of the Group's subsidiaries not operating in Chinese mainland	–	–	–	–	1,963	–	1,963	–	1,963
Total comprehensive loss for the year	–	–	–	–	1,963	(149,286)	(147,323)	(6,830)	(154,153)
Issue of new shares	6,830	593,170	–	–	–	–	600,000	–	600,000
Recognition of redemption liabilities on Series E1+ and Series E2+ Shares *(note 27)*	–	–	(600,000)	–	–	–	(600,000)	–	(600,000)
Acquisition of non-controlling interests *(note 32)*	–	–	(21,860)	–	–	–	(21,860)	(13,140)	(35,000)
Dilution of non-controlling interests *(note 32)*	–	–	(3,973)	–	–	–	(3,973)	3,973	–
Share-based payments *(note 31)*	–	–	–	25,913	–	–	25,913	–	25,913
At 31 December 2024	59,049	2,765,831	(2,828,447)	87,725	3,659	(1,254,278)	(1,166,461)	(4,244)	(1,170,705)

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Other reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total deficiency in assets
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	59,049	2,765,831	(2,828,447)	87,725	3,659	(1,254,278)	(1,166,461)	(4,244)	(1,170,705)
Loss for the year	–	–	–	–	–	(610,598)	(610,598)	(7,810)	(618,408)
Other comprehensive loss for the year									
Exchange differences on translation of the Group's subsidiaries not operating in Chinese mainland	–	–	–	–	(3,583)	–	(3,583)	–	(3,583)
Total comprehensive loss for the year	–	–	–	–	(3,583)	(610,598)	(614,181)	(7,810)	(621,991)
Share-based payments *(note 31)*	–	–	–	25,869	–	–	25,869	–	25,869
At 31 December 2025	59,049	2,765,831	(2,828,447)	113,594	76	(1,864,876)	(1,754,773)	(12,054)	(1,766,827)

Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Other reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total deficiency in assets
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	59,049	2,765,831	(2,828,447)	87,725	3,659	(1,254,278)	(1,166,461)	(4,244)	(1,170,705)
Loss for the period	–	–	–	–	–	(323,862)	(323,862)	(4,317)	(328,179)
Other comprehensive income for the period									
Exchange differences on translation of the Group's subsidiaries not operating in Chinese mainland	–	–	–	–	(704)	–	(704)	–	(704)
Total comprehensive loss for the period	–	–	–	–	(704)	(323,862)	(324,566)	(4,317)	(328,883)
Share-based payments *(note 31)*	–	–	–	13,633	–	–	13,633	–	13,633
At 30 June 2025	59,049	2,765,831	(2,828,447)	101,358	2,955	(1,578,140)	(1,477,394)	(8,561)	(1,485,955)

Six months ended 30 June 2026

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Other reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total deficiency in assets
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	59,049	2,765,831	(2,828,447)	113,594	76	(1,864,876)	(1,754,773)	(12,054)	(1,766,827)
Loss for the period	–	–	–	–	–	(530,179)	(530,179)	(3,761)	(533,940)
Other comprehensive income for the period									
Exchange differences on translation of the Group's subsidiaries not operating in Chinese mainland	–	–	–	–	(5,462)	–	(5,462)	–	(5,462)
Total comprehensive loss for the period	–	–	–	–	(5,462)	(530,179)	(535,641)	(3,761)	(539,402)
Share-based payments *(note 31)*	–	–	–	125	–	–	125	–	125
At 30 June 2026	59,049	2,765,831	(2,828,447)	113,719	(5,386)	(2,395,055)	(2,290,289)	(15,815)	(2,306,104)

* These reserve accounts comprise the negative amounts of consolidated reserves of RMB1,225,510,000, RMB1,813,822,000 and RMB2,349,338,000 in the consolidated statements of financial position as at 31 December 2024 and 2025 and 30 June 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	Six months ended 30 June 2026 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(139,719)	(611,541)	(322,471)	(532,657)
Adjustments for:					
Interest income	5	(23,283)	(22,990)	(10,771)	(6,049)
Finance costs	7	10,732	7,971	2,400	3,320
Share of losses/(profits) of associates	16	8,111	1,304	650	(1,415)
(Gains)/losses on financial assets at fair value through profit or loss	5	(706)	318	(96)	(70)
Gains on disposal of financial assets at fair value through profit or loss, net	5	(1,417)	(7,711)	(3,124)	(2,760)
Changes in fair value of redemption liabilities on equity shares	27	(135,290)	250,023	147,838	309,830
Gains on disposal of equity investments	5	(73,090)	(10,220)	(6,329)	(4,074)
Loss on disposal of property, plant and equipment	6	9	–	–	18
Depreciation of property, plant and equipment	6	52,067	55,831	22,638	30,866
Depreciation of right-of-use assets	6	9,541	9,919	4,949	4,842
Amortisation of intangible assets	6	1,040	1,532	663	990
Impairment losses on trade receivables, net	6	1,257	2,921	1,312	982
Impairment losses on contract assets, net	6	–	266	–	387
Impairment losses on other receivables, net	6	–	2,751	2,500	–
(Reversal of write-down)/write-down of inventories to net realisable value		(116)	1,712	102	502
Share-based payments	6	25,913	25,869	13,633	125
		(264,951)	(292,045)	(146,106)	(195,163)
(Increase)/decrease in inventories		(6,584)	1,435	(14,605)	(3,906)
Increase in trade receivables		(16,202)	(34,910)	(28,227)	(15,923)
(Increase)/decrease in prepayments, other receivables and other assets		(3,845)	(21,886)	20,426	(9,883)
Increase in contract assets		–	(5,311)	–	(7,755)
Increase/(decrease) in trade payables		7,834	4,165	(11,157)	16,127
Increase/(decrease) in other payables and accruals		5,961	18,306	(22,540)	(18,639)
Increase/(decrease) in contract liabilities		3,144	(123)	14,784	11,383
Increase/(decrease) in deferred income	28	14,295	2,630	286	(1,506)
Cash used in operations		(260,348)	(327,739)	(187,139)	(225,265)
Income tax paid		(16,397)	(5,847)	(4,247)	(2,303)
Net cash flows used in operating activities		(276,745)	(333,586)	(191,386)	(227,568)

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment		(96,639)	(66,130)	(38,770)	(32,091)
Purchases of intangible assets		(1,735)	(9,078)	(2,096)	(1,763)
Purchases of financial assets at fair value through profit or loss		(788,000)	(2,360,000)	(910,000)	(1,175,000)
Proceeds from redemption of financial assets at fair value through profit or loss		540,000	2,498,287	955,344	1,181,475
Placement of time deposits		(452,123)	(166,284)	(190,131)	(92,279)
Withdrawal of time deposits		108,642	381,007	318,133	141,208
Withdrawal of pledged deposits	5	38	410	410	30,000
Placement of pledge deposits		–	(30,000)	–	–
Investment in an associate		(12,000)	(3,500)	–	–
Interest received from time deposits		11,788	12,428	10,690	3,927
Interest received from financial assets at fair value through profit or loss		1,417	7,711	3,124	2,760
Proceeds from disposal of property, plant and equipment		19	–	460	3
Proceeds from disposal of equity investments		86,846	10,220	4,689	4,344
Net cash flows (used in)/from investing activities		(601,747)	275,071	151,853	62,584
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	27	600,000	79,973	50,000	70,000
Proceeds from bank borrowings	33	39,087	10,000	–	40,000
Repayment of bank borrowings	33	(21,320)	(27,270)	(14,235)	(39,705)
Payment of lease liabilities	33	(10,390)	(11,360)	(5,719)	(4,004)
Acquisition of non-controlling interests		(35,000)	–	–	–
Payments of issue cost for redemption liabilities on equity shares		(5,345)	–	–	–
Payment of listing expenses		–	(3,200)	(2,695)	(2,492)
Interest paid on bank borrowings		(7,513)	(8,869)	(3,442)	(2,739)
Net cash flows from financing activities		559,519	39,274	23,909	61,060
NET DECREASE IN CASH AND CASH EQUIVALENTS		(318,973)	(19,241)	(15,624)	(103,924)
Cash and cash equivalents at beginning of the year/period		790,824	471,878	471,878	449,054
Effect of foreign exchange rate changes, net		27	(3,583)	2,022	(3,530)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	22	471,878	449,054	458,276	341,600
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	22	472,288	479,054	458,276	341,600
Pledged deposits		(410)	(30,000)	–	–
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position		471,878	449,054	458,276	341,600

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	31 December 2024 RMB'000	31 December 2025 RMB'000	30 June 2026 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	61,873	72,482	78,066
Right-of-use assets	*14*	27,044	21,802	19,590
Intangible assets	*15*	7,110	9,802	9,423
Investments in subsidiaries	*1*	591,131	632,068	635,192
Investment in an associate	*16*	2,598	2,557	2,465
Prepayments, other receivables and other assets	*20*	63,094	52,136	51,795
Time deposits	*22*	240,668	287,714	103,363
Total non-current assets		993,518	1,078,561	899,894
CURRENT ASSETS				
Inventories	*17*	13,007	13,239	14,311
Trade receivables	*18*	25,595	52,745	72,244
Prepayments, other receivables and other assets	*20*	198,726	271,895	285,909
Financial assets at fair value through profit or loss	*21*	103,188	100,077	53,626
Cash and cash equivalents	*22*	228,760	309,089	181,237
Time deposits	*22*	466,632	94,468	244,634
Total current assets		1,035,908	841,513	851,961
CURRENT LIABILITIES				
Trade payables	*23*	40,561	62,529	81,177
Contract liabilities	*24*	500	–	12,113
Other payables and accruals	*25*	53,545	169,009	163,841
Lease liabilities	*14*	9,321	5,259	7,960
Redemption liabilities on equity shares	*27*	2,801,313	3,045,235	3,334,901
Total current liabilities		2,905,240	3,282,032	3,599,992
NET CURRENT LIABILITIES		(1,869,332)	(2,440,519)	(2,748,031)
TOTAL ASSETS LESS CURRENT LIABILITIES		(875,814)	(1,361,958)	(1,848,137)
NON-CURRENT LIABILITIES				
Lease liabilities	*14*	19,007	17,959	14,231
Deferred income	*28*	6,406	7,644	6,611
Total non-current liabilities		25,413	25,603	20,842
Net liabilities		(901,227)	(1,387,561)	(1,868,979)
DEFICIENCY IN ASSETS				
Share capital	*30*	59,049	59,049	59,049
Reserves	*32*	(960,276)	(1,446,610)	(1,928,028)
Total deficit		(901,227)	(1,387,561)	(1,868,979)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated as a limited liability company registered in the People's Republic of China (the "**PRC**") on 24 January 2005. On 28 March 2016, the Company was converted into a joint stock company with limited liability with registered capital of RMB20,336,000. The registered office of the Company is located at 1-2F, Building 1, No. 5, Tongji Middle Road, Beijing Economic-Technological Development Area, Beijing, China.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the research and development of radiopharmaceuticals.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Sinotau Cloud Pharmaceutical Technology Promotion Co., Ltd. (北京先通雲醫藥科技推廣有限公司*) *(note a)*	PRC/Chinese mainland 27 August 2018	RMB5,000,000	100.00%	–	Marketing services
Beijing Sinotau Bio-pharmaceutical Technology Co., Ltd. (北京先通生物醫藥技術有限公司*) *(note b)*	PRC/Chinese mainland 28 August 2014	RMB39,000,000	100.00%	–	Research and development
Beijing Sinotau Innovation Pharmaceutical Technology Co., Ltd. (北京先通科創醫藥科技有限公司*) *(note a)*	PRC/Chinese mainland 31 May 2021	RMB130,000,000	100.00%	–	Research and development
Sichuan Sinotau Pharmaceuticals Co., Ltd. (四川先通醫藥有限公司*) *(note a)*	PRC/Chinese mainland 18 June 2024	RMB20,000,000	100.00%	–	Sale of pharmaceutical products/research and development
Jiangsu Sinotau Pharmaceutical Co., Ltd. (江蘇先通醫藥有限公司*) *(note c)*	PRC/Chinese mainland 17 May 2023	RMB30,000,000	100.00%	–	Sale of pharmaceutical products/research and development
Glotope Advanced Pharmaceutical Technology Ltd. (國通(成都)新藥技術有限公司*) *(note d)*	PRC/Chinese mainland 3 June 2019	RMB149,098,134	52.95%	–	CRO/CDMO services
Shanghai Sinotau Biotech. Co., Ltd. (上海先通生物科技有限公司*) *(note b)*	PRC/Chinese mainland 12 November 2021	RMB30,000,000	100.00%	–	Research and development
Sinotau (Tianjin) Pharmaceutical Technology Co., Ltd. (先通(天津)醫藥科技有限公司*) *(note h)*	PRC/Chinese mainland 3 September 2025	RMB150,000,000	100.00%	–	Pharmaceutical products production
Guotong (Zhengzhou) Pharmaceutical Technology Ltd. (國通(鄭州)醫藥技術有限公司*) *(note e)*	PRC/Chinese mainland 26 April 2024	RMB30,000,000	–	52.95%	CRO/CDMO services
Beijing Soft Imaging Medical Technology Co., Ltd. (北京軟影醫學技術有限公司*) *(note f)*	PRC/Chinese mainland 28 May 2024	RMB1,000,000	–	52.95%	CRO/CDMO services
Glotope (Mianyang) Advanced Pharmaceutical Technology Co., Ltd. (國通(綿陽)新藥技術有限公司*) *(note g)*	PRC/Chinese mainland 19 January 2021	RMB260,000,000	–	52.95%	CRO/CDMO services

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Glotope (Zhongshan) Pharmaceutical Technology Co., Ltd. (國通(中山)醫藥技術有限公司*) *(note g)*	PRC/Chinese mainland 28 August 2017	RMB103,000,000	–	52.95%	CRO/CDMO services
Glotope (Wuxi) Pharmaceutical Technology Co., Ltd. (國通(無錫)醫藥技術有限公司*) *(note g)*	PRC/Chinese mainland 13 December 2017	RMB171,428,571	–	52.95%	CRO/CDMO services
Sichuan Hengan Xingye Transportation Service Co., Ltd. (四川恆安興業運輸服務有限公司*) *(note h)*	PRC/Chinese mainland 16 July 2025	RMB5,000,000	–	100.00%	Transportation service
SINOTAU USA INC *(note a)*	United States of America 30 October 2015	USD1	100.00%	–	Investment holding
FLUXMIT USA INC *(note a)*	United States of America 2 February 2026	USD5,000	–	100.00%	Sale of pharmaceutical products/research and development

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have official English names registered in the PRC.

Notes:

(a) As at the date of this report, no audited financial statements of these entities have been prepared for the years ended 31 December 2024 and 2025 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of their incorporation.

(b) As at the date of this report, no audited financial statements of these entities have been prepared for the year ended 31 December 2024. The statutory financial statements of these entities for the year ended 31 December 2025 were audited by Beijing Jinrui Yongda Certified Public Accountant LLP. (北京金瑞永大會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(c) The statutory financial statements of this entity for the year ended 31 December 2024 and 2025 were audited by Beijing Jinrui Yongda Certified Public Accountant LLP. (北京金瑞永大會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(d) The statutory financial statements of this entity for the year ended 31 December 2024 were audited by Sichuan Dewei Certified Public Accountant Co., Ltd. (四川德維會計師事務所有限公司), certified public accountants registered in the PRC. The statutory financial statements of this entity for the year ended 31 December 2025 were audited by Sichuan Jinheng Yichen Certified Public Accountants Co., Ltd. (四川錦亨逸宸會計師事務所有限責任公司), certified public accountants registered in the PRC.

(e) As at the date of this report, no audited financial statements of this entity have been prepared for the year ended 31 December 2024. The statutory financial statements of this entity for the year ended 31 December 2025 were audited by Sichuan Jinheng Yichen Certified Public Accountants Co., Ltd. (四川錦亨逸宸會計師事務所有限責任公司), certified public accountants registered in the PRC.

(f) The statutory financial statements of this entity for the year ended 31 December 2024 were audited by Beijing Jinrui Yongda Certified Public Accountant LLP. (北京金瑞永大會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. As at the date of this report, no audited financial statements of this entity have been prepared for the year ended 31 December 2025.

(g) The statutory financial statements of these entities for the year ended 31 December 2024 were audited by Beijing Jinrui Yongda Certified Public Accountant LLP. (北京金瑞永大會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of these entities for the year ended 31 December 2025 were audited by Sichuan Jinheng Yichen Certified Public Accountants Co., Ltd. (四川錦亨逸宸會計師事務所有限責任公司), certified public accountants registered in the PRC.

(h) As at the date of this report, no audited financial statements of these entities have been prepared for the year ended 31 December 2025.

The investments in subsidiaries in the Company's statements of financial position represent:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments, at cost	591,131	632,068	635,192

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and the six months ended 30 June 2025.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and redemption liabilities on equity shares which have been measured at fair value.

The Group incurred losses throughout the Relevant Periods due to the research and development of radiopharmaceuticals. The Group recorded net liabilities of RMB2,306,104,000 and net current liabilities of RMB2,964,980,000 at 30 June 2026, primarily due to the significant amount of the redemption liabilities on equity shares of RMB3,804,080,000 arising from the financing with redemption rights and liquidation rights to pre-IPO investors. In the opinion of the directors of the Company, the Group will have sufficient liquid funds to meet its working capital and capital expenditure requirements for at least the next twelve months from 30 June 2026 for the following reasons:

(a) The primary cause for the net liabilities as at 30 June 2026 was the significant amount of redemption liabilities on equity shares, details of which are included in note 27 to the Historical Financial Information. The redemption rights on the Company's shares will cease to be effective from the date of the first submission of the listing application form for the listing of the shares of the Company on the Stock Exchange and shall be reinstated in the event where (i) the application for the public offering is withdrawn, rejected or becomes invalid and the Company fails to re-submit the application in six months after the invalidation, or (ii) the Company fails to complete the public offering before the earlier date of 18 months after the submission of application and 31 December 2026. Therefore, the redemption liabilities on equity shares of the Company will be derecognised from liabilities as a result of the termination of all special rights upon the listing of the shares of the Company on the Stock Exchange ("**Listing**"). Based on the latest application status, the directors of the Company are of the opinion that the Company is expected to complete the public offering successfully before 31 December 2026, and therefore the redemption feature is unlikely to be restored in the twelve months from 30 June 2026;

(b) The Group has prepared a cash flow forecast for the next twelve months from 30 June 2026. Based on the rigorous review of the forecast, the directors of the Company are satisfied that the Group will have sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group for the next twelve months from 30 June 2026, including cash and cash equivalents, time deposits and the estimated net proceeds from the Listing. Accordingly, the directors of the Company assessed that the Group will be able to continue as a going concern and that it is appropriate to prepare the Historical Financial Information on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
Amendments to IAS 28	*Fair Value Option for Investments in Associates and Joint Ventures*[1]

1 Effective for annual periods beginning on or after 1 January 2027
2 No mandatory effective date yet determined but available for adoption
3 Effective for annual periods beginning on or after 1 January 2029

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, are not expected to have significant impact on the Group's financial performance and financial position in the period of initial application. IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

The Group measures its financial investments at fair value through profit or loss and financial liabilities at fair value through profit or loss at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives and estimated residual values used for this purpose are as follows:

Categories	**Estimated useful lives**	**Estimated residual value rate**
Buildings	10-30 years	5%
Machinery	3-10 years	5%
Electronic equipment	3-5 years	5%
Motor vehicles	5 years	5%
Office furniture	3-5 years	5%
Leasehold improvements	Shorter of estimated useful lives or remaining lease terms	–

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 3-10 years. The estimated useful life of software is determined by considering the period of the economic benefits to the Group as well as by referring to the industry practice.

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 15 years. The estimated useful life of 15 years for patents is determined by considering the period of the economic benefits to the Group as well as by referring to the industry practice.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 to 10 years
Land use right	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach under certain circumstances as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank borrowings and financial liabilities at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted moving average basis and, in the case of work in progress and finished goods, comprise direct materials and an appropriate portion of subcontracting charges and overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customers, generally on acceptance by the customers.

Some contracts for the sale of goods provide customers with rights of return, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Licenses of intellectual property

Upfront payments

Upfront non-refundable payments for licenses are evaluated to determine if they are distinct from the other performance obligations identified in the arrangements. For the licenses determined to be distinct, the Group recognises revenue from non-refundable up-front fees allocated to the licenses at a point in time, when control of the licenses are transferred to the licensee and the licensee is able to use and benefit from the licenses.

Milestone payments

At the inception of each arrangement that includes development milestone payments, the management of the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The management of the Company will assess whether the variable consideration is fully constrained for each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognised is not expected to occur and allocated to the separate performance obligations. Due to the inherent uncertainty with the approval process, regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the licenses that are deemed to be the predominant items to which the royalties relate, the Group recognises revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalties have been allocated is satisfied (or partially satisfied).

(c) Research and development services

The Contract Research Organization and Contract Development and Manufacturing Organization ("**CRO/CDMO**") services are integrated services including project management, drug manufacturing, development, optimisation, trial production, and other relevant services. The duration of the contracts ranges from months to years. The contracts contain multiple deliverable units, which are generally in the form of technical laboratory reports, samples and/or products for manufacturing, and each deliverable unit has an individual selling price specified within the contract. The Group has assessed whether each deliverable is distinct to determine the performance obligation within the contract. Any deliverable in the contract is identified as a performance obligation if the deliverable is distinct. If the deliverables are highly interdependent or highly interrelated, those deliverables are not separately identifiable, and are combined into a single performance obligation. The revenue is recognised at a point in time when the Group transfers the control for services/deliverables and has right to payment from the customers for the services performed upon finalisation, delivery and acceptance of the deliverables.

(d) Marketing services

The marketing services is recognised over time, using an output method to measure progress towards the units services transferred to the customer.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates restricted share unit scheme and share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined based on the backsolve method of the market approach and equity value allocation model or the market-based valuation technique, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in central pension schemes operated by local municipal governments. These entities are required to contribute certain percentages of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These schemes include housing fund, basic and supplementary medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group has no further obligations beyond the contributions made. Apart from those described above, the Group does not have any other legal or constructive obligations over employee benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Group's entities not operating in Chinese mainland are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into the RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the monthly weighted average exchange rates for the respective year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of an entity not operating in Chinese mainland, the cumulative amount in the reserve relating to that particular entity is recognised in the statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of the Group's entities not operating in Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout a particular year are translated into RMB at the monthly weighted average exchange rates for the respective year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Research and development costs

Development expenses incurred on the Group's product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Relevant Periods, all expenses incurred for research and development activities were expensed when incurred.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimation of fair value of redemption liabilities on equity shares

The fair value of the redemption liabilities is determined based on the backsolve method of the market approach. The backsolve method of the market approach was used to determine the total equity value of the Group and then equity allocation based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of the redemption liabilities. The Group classified the fair value of the redemption liabilities as Level 3. The fair value of the redemption liabilities were RMB3,094,254,000, RMB3,424,250,000 and RMB3,804,080,000 at 31 December 2024 and 2025 and 30 June 2026, respectively. Further details are included in note 27 to the Historical Financial Information.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The Company was of the view that although the Group incurred losses throughout the Relevant Periods, there was no impairment indicators related to the non-financial assets (e.g. property, plant and equipment, right-of-use assets and intangible assets). This view was based on the following considerations:

(a) The recorded net losses were in line with management's expectations because the Group was in the early stages of executing its business plans during the Relevant Periods with relatively little revenue from selling products and providing services, meanwhile, significant investments in R&D activities were required because most of the pipelines were in R&D stages;

(b) There were no observable indications that the assets' values have declined significantly more than expected during the Relevant Periods as the result of the passage of time or normal use;

(c) There were no significant changes with adverse effects on the Group, which have taken place during the Relevant Periods, or will take place in the near future, in the existing technological, market, economic or legal environment in which the Group operates or in the market to which an asset is dedicated;

(d) There was no material deterioration in the operating environment of the industry during the Relevant Periods.

Based on the above analysis, no impairment testing has been performed and no impairment has been made for the long-term assets during the Relevant Periods.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. There was no deferred tax assets recognised for tax losses as at 31 December 2024 and 2025 and 30 June 2026. Further details are contained in note 29 to the Historical Financial Information.

Share-based payment expense

The Group has granted restricted shares and share options to the Group's employees. The Company has engaged an independent valuer to determine the fair value of the options granted to employees, which is expensed over the vesting periods. Unobservable inputs such as the risk-free rate, volatility and discount for lack of marketability, etc. are used in determining the fair value of the share-based payment expense.

Provision for expected credit losses on trade receivables and contract assets

The Group applies IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The provision rates are initially based on the Group's historical observed default rates. The Group will calibrate the rates to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the counterparty's industry, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 18 and 19.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Chinese mainland	44,064	96,388	35,746	58,924
Other countries/regions	–	2,822	1,162	2,330
Total revenue	44,064	99,210	36,908	61,254

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	702,304	700,156	699,438
Other countries/regions	18	18	18
Total non-current assets	702,322	700,174	699,456

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

During the Relevant Periods and the six months ended 30 June 2025, revenue from transactions with single external customers (including entities under common control with those customers) amounting to 10% or more of the Group's revenue are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Customer C	6,459	2,723	2,690	361
Duality Biologics (Suzhou) Co., Ltd.	6,703	15,590	13,412	–
Customer A	19,380	13,474	4,435	–
Customer B	7,547	15,208	1,750	14,682

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Revenue from contracts with customers	44,064	99,210	36,908	61,254

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Types of goods and services				
Sales of goods	3,742	38,009	12,815	39,825
Licensing income (i)	6,703	15,590	13,412	–
CRO/CDMO services	27,160	42,888	7,991	21,068
Marketing services	6,459	2,723	2,690	361
Total	44,064	99,210	36,908	61,254
Geographical market				
Chinese mainland	44,064	96,388	35,746	58,924
Other	–	2,822	1,162	2,330
Total	44,064	99,210	36,908	61,254
Timing of revenue recognition				
Goods and services transferred at a point in time	37,605	96,487	34,218	60,893
Services transferred over time	6,459	2,723	2,690	361
Total revenue from contracts with customers	44,064	99,210	36,908	61,254

The following table shows the amounts of revenue recognised in each of the Relevant Periods and the six months ended 30 June 2025 that were included in the contract liabilities at the beginning of the respective period:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Sales of goods and provision of services	1,049	4,613	258	1,566

(i) In November 2021 and March 2024, the Group entered into a series of exclusive license agreements with Duality Biologics (Suzhou) Co., Ltd. ("**Duality**") who was entitled to research, develop, improve, manufacture, use, sell, contract and commercialize HER3 bispecific and multi-specific antibodies globally. Pursuant to the agreements, the Group was entitled to receive milestone payment from Duality once the product using the subject license realises commercialisation. In addition, the Group will also be entitled to receive several sales related milestone payments from Duality if the annual net sales revenue of the product using the subject license achieves respective targets as defined in the license agreements.

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon acceptance by the customers, i.e., at a point in time. The payment terms are usually negotiated between the Group and the customers on an individual contract basis and the payment is generally due within 30 days to 180 days after the acceptance by the customers.

Marketing services

The marketing services is recognised over time, using an output method to measure progress towards the units of services transferred to the customer and the payment is generally due within 280 days after the completion of services.

Licensing income

The Group generates revenue from licensing of intellectual property ("**IP**") to customers. As the customers are able to direct the use of, and obtain substantially all of the benefits from, the license at the time control of the license is transferred to the licensee, the performance obligations of the licensing of intellectual properties are satisfied at a point in time. Revenue is recognised when or as control of the licenses is transferred to the licensee.

The Group recognises revenue for a sales-based or usage-based royalty promised in exchange for a license of IP only when (or as) the later of the following events occurs:

- The subsequent sale or usage occurs; and
- The performance obligation to which some or all of the sales-based or usage-based royalty allocated has been satisfied (or partially satisfied).

Revenue from CRO/CDMO services

The CRO/CDMO services are integrated services including project management, drug manufacturing, development, optimisation, trial production, and other relevant services. The duration of the contracts ranges from months to years. The contracts contain multiple deliverable units, which are generally in the form of technical laboratory reports, samples and/or products for manufacturing, and each deliverable unit has an individual selling price specified within the contract. The Group has assessed whether each deliverable is distinct to determine the performance obligation within the contract. Any deliverable in the contract is identified as a performance obligation if the deliverable is distinct. If the deliverables are highly interdependent or highly interrelated, those deliverables are not separately identifiable, and are combined into a single performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If none of the above criteria is met, the Group recognises revenue at the point in time when the customer obtains control of the distinct good or service and the payment is generally due within 30 days to 180 days after the acceptance by the customers.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of each of the Relevant Periods:

	31 December		**30 June**
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:			
Within one year	21,458	33,301	35,157
After one year	28,360	45,376	107,206
Total	49,818	78,677	142,363

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Other income				
Bank interest income	23,283	22,990	12,161	6,539
Government grant*	1,438	36,576	3,619	3,798
Others	1,046	4,031	1,415	1,485
Total other income	25,767	63,597	17,195	11,822
Gains				
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	706	(318)	96	70
Gains on disposal of financial assets at fair value through profit or loss, net	1,417	7,711	3,124	2,760
Gains on disposal of equity investments**	73,090	10,220	6,329	4,074
Total gains	75,213	17,613	9,549	6,904
Total other income and gains	100,980	81,210	26,744	18,726

* Various government grants were mainly attributable to the Group's research and development of radiopharmaceuticals. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these government grants.

** Sinotau USA Inc, one of the Company's subsidiaries, disposed of its equity investment in Cerveau Technologies, Inc. and Meilleur Technologies, Inc. in 2023 and 2024, respectively. The considerations include upfront payment, milestone payments and royalties related to the respective pipelines of Cerveau Technologies, Inc. and Meilleur Technologies, Inc.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Notes	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	Six months ended 30 June 2026 RMB'000
Cost of goods sold*		2,738	35,285	11,955	26,350
(Reversal of write-down)/write-down of inventories to net realisable value		(116)	1,712	102	502
Cost of services provided		38,064	47,190	12,830	16,415
Depreciation of property, plant and equipment	*13*	52,067	55,831	22,638	30,866
Depreciation of right-of-use assets	*14*	9,541	9,919	4,949	4,842
Amortisation of intangible assets	*15*	1,040	1,532	663	990
Research and development costs***		129,677	136,353	55,102	100,890
Listing expenses		–	22,189	16,720	9,563
Lease payments not included in the measurement of lease liabilities	*14(c)*	1,928	1,149	559	613
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):					
Wages and salaries		159,353	166,651	71,175	90,384
Social welfare benefits		5,826	7,619	3,240	4,831
Share-based payments		25,913	25,869	13,633	125
Pension scheme contribution (defined contribution scheme)		10,202	12,013	4,809	7,228
		201,294	212,152	92,857	102,568
Loss on disposal of property, plant and equipment**		9	–****	–****	18
Penalties**		74	1,508	1,508	–****
Foreign exchange differences, net**		103	161	19	(324)
Impairment losses on trade receivables, net		1,257	2,921	1,312	982
Impairment losses on contract assets, net		–	266	–	387
Impairment losses on other receivables, net		–	2,751	2,500	–

* The "Cost of goods sold" amount includes the following expenses which are also included in the respective total amounts of the items disclosed above.

Amortisation of intangible assets
Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration)

** These items are included in "Other expenses" in the consolidated statements of profit or loss.

*** Depreciation, amortisation and employee benefit expenses are excluded in research and development costs disclosed above.

**** The respective amount is less than RMB1,000.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Transaction cost for issuance of redemption liabilities on equity shares	5,345	–	–	–
Interest on bank borrowings	7,476	8,870	3,422	2,717
Interest on lease liabilities *(note 14)*	1,946	1,501	790	603
Less: interest capitalised	(4,035)	(2,400)	(1,812)	–
Total	10,732	7,971	2,400	3,320

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Fees	–	–	–	–
Other emoluments:				
Salaries, allowances and benefits in kind	2,129	4,949	2,158	2,521
Performance related bonuses	1,128	2,458	1,319	1,016
Share-based payment expense	14,051	21,355	11,705	–
Pension scheme contributions	139	213	81	122
Subtotal	17,447	28,975	15,263	3,659
Total	17,447	28,975	15,263	3,659

During and prior to the Relevant Periods and the six months ended 30 June 2025, certain directors and supervisors were granted share options and restricted shares of the Company in respect of their services to the Group, under the share-based incentive schemes of the Group, further details of which are set out in note 31 to the Historical Financial Information. The fair value of such share options and restricted shares, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors', supervisors' and chief executive's remuneration disclosures.

The remuneration of each of the Company's directors, supervisors and the chief executive is set out below:

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Chief executive and executive director:						
Mr. Xu Xinsheng (i)	–	544	291	273	31	1,139
Executive directors:						
Mr. Chu Wei (ii)	–	148	–	–	19	167
Ms. Tang Yanmin (iii)	–	544	291	13,778	31	14,644
Non-executive directors:						
Mr. Chen Daojin (vi)	–	–	–	–	–	–
Dr. Zhang Yingjie (vii)	–	–	–	–	–	–
Mr. Ye Suofu (viii)	–	–	–	–	–	–
Mr. Hao Bonan (ix)	–	–	–	–	–	–
Ms. Zhao Yanping (x)	–	–	–	–	–	–
Ms. Zou Min (xi)	–	–	–	–	–	–
Mr. Zhang Tao (xii)	–	–	–	–	–	–
Supervisors:						
Mr. Chen Hongwu (xiv)	–	–	–	–	–	–
Ms. Liu Shuang (xv)	–	704	420	–	31	1,155
Ms. Liu Rui (xvi)	–	189	126	–	27	342
Total	–	2,129	1,128	14,051	139	17,447

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025						
Chief executive and executive director:						
Mr. Xu Xinsheng (i)	–	850	386	2,330	34	3,600
Executive directors:						
Mr. Chu Wei (ii)	–	148	–	–	19	167
Ms. Tang Yanmin (iii)	–	850	903	13,778	35	15,566
Mr. Wang Peng (iv)	–	655	325	4,594	24	5,598
Mr. Yu Wenbin (v)	–	580	267	653	25	1,525
Non-executive directors:						
Mr. Chen Daojin (vi)	–	–	–	–	–	–
Dr. Zhang Yingjie (vii)	–	–	–	–	–	–
Mr. Ye Suofu (viii)	–	–	–	–	–	–
Mr. Hao Bonan (ix)	–	–	–	–	–	–
Ms. Zhao Yanping (x)	–	–	–	–	–	–
Ms. Zou Min (xi)	–	–	–	–	–	–
Mr. Zhang Tao (xii)	–	–	–	–	–	–
Mr. Huang Xu (xiii)	–	–	–	–	–	–
Supervisors:						
Mr. Chen Hongwu (xiv)	–	–	–	–	–	–
Ms. Liu Rui (xvi)	–	204	134	–	31	369
Mr. Wang Song (xvii)	–	1,250	297	–	35	1,582
Ms. Liu Shuang (xv)	–	412	146	–	10	568
Total	–	4,949	2,458	21,355	213	28,975

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Share-based payment expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Six months ended 30 June 2025						
(Unaudited)						
Chief executive and executive director:						
Mr. Xu Xinsheng (i)	–	422	193	2,193	15	2,823
Executive directors:						
Mr. Chu Wei (ii)	–	74	–	–	10	84
Ms. Tang Yanmin (iii)	–	422	705	6,889	15	8,031
Mr. Wang Peng (iv)	–	322	85	2,296	6	2,709
Mr. Yu Wenbin (v)	–	152	70	327	6	555
Non-executive directors:						
Mr. Chen Daojin (vi)	–	–	–	–	–	–
Dr. Zhang Yingjie (vii)	–	–	–	–	–	–
Mr. Ye Suofu (viii)	–	–	–	–	–	–
Mr. Hao Bonan (ix)	–	–	–	–	–	–
Ms. Zhao Yanping (x)	–	–	–	–	–	–
Ms. Zou Min (xi)	–	–	–	–	–	–
Mr. Zhang Tao (xii)	–	–	–	–	–	–
Mr. Huang Xu (xiii)	–	–	–	–	–	–
Supervisors:						
Mr. Chen Hongwu (xiv)	–	–	–	–	–	–
Ms. Liu Rui (xvi)	–	95	67	–	13	175
Mr. Wang Song (xvii)	–	259	53	–	6	318
Ms. Liu Shuang (xv)	–	412	146	–	10	568
Total	–	2,158	1,319	11,705	81	15,263

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Share-based payment expense *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Six months ended 30 June 2026						
Chief executive and executive director:						
Mr. Xu Xinsheng (i)	–	428	200	–	19	647
Executive directors:						
Mr. Chu Wei (ii)	–	74	–	–	10	84
Ms. Tang Yanmin (iii)	–	428	200	–	19	647
Mr. Wang Peng (iv)	–	483	245	–	19	747
Mr. Yu Wenbin (v)	–	428	200	–	19	647
Non-executive directors:						
Mr. Chen Daojin (vi)	–	–	–	–	–	–
Dr. Zhang Yingjie (vii)	–	–	–	–	–	–
Mr. Ye Suofu (viii)	–	–	–	–	–	–
Mr. Hao Bonan (ix)	–	–	–	–	–	–
Mr. Huang Xu (xiii)	–	–	–	–	–	–
Supervisors:						
Mr. Chen Hongwu (xiv)	–	–	–	–	–	–
Ms. Liu Rui (xvi)	–	152	21	–	17	190
Mr. Wang Song (xvii)	–	528	150	–	19	697
Total	–	2,521	1,016	–	122	3,659

(i) Mr. Xu Xinsheng was appointed as an executive director of the Company with effect from 1 November 2007.

(ii) Mr. Chu Wei was appointed as an executive director of the Company with effect from 6 March 2015.

(iii) Ms. Tang Yanmin was appointed as an executive director of the Company with effect from 24 March 2016.

(iv) Mr. Wang Peng was appointed as an executive director of the Company with effect from 27 April 2025.

(v) Mr. Yu Wenbin was appointed as an executive director of the Company with effect from 27 April 2025.

(vi) Mr. Chen Daojin was appointed as a non-executive director of the Company with effect from 24 September 2021.

(vii) Dr. Zhang Yingjie was appointed as a non-executive director of the Company with effect from 6 March 2015.

(viii) Mr. Ye Suofu was appointed as a non-executive director of the Company with effect from 3 August 2023.

(ix) Mr. Hao Bonan was appointed as a non-executive director of the Company with effect from 22 April 2022.

(x) Ms. Zhao Yanping was appointed as a non-executive director of the Company with effect from 22 August 2018 and resigned on 27 April 2025.

(xi) Ms. Zou Min was appointed as a non-executive director of the Company with effect from 11 November 2022 and resigned on 27 April 2025.

(xii) Mr. Zhang Tao was appointed as a non-executive director of the Company with effect from 3 August 2023 and resigned on 27 April 2025.

(xiii) Mr. Huang Xu was appointed as a non-executive director of the Company with effect from 27 April 2025.

(xiv) Mr. Chen Hongwu was appointed as a supervisor of the Company with effect from 10 July 2020.

(xv) Ms. Liu Shuang was appointed as a supervisor of the Company with effect from 18 March 2020 and resigned from her position as a supervisor on 27 April 2025, meanwhile continued to serve as an employee of the Company.

(xvi) Ms. Liu Rui was appointed as a supervisor of the Company with effect from 15 March 2020.

(xvii) Mr. Wang Song was appointed as a supervisor of the Company with effect from 27 April 2025.

There was no arrangement under which a director, supervisor or the chief executive of the Company waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025.

9. FIVE HIGHEST PAID EMPLOYEES

Included in the five highest paid employees during the Relevant Periods and the six months ended 30 June 2025 were one, three, three (unaudited) and one director(s), and/or chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining four, two, two (unaudited) and four highest paid employee(s) who are neither a director nor chief executive of the Company for the Relevant Periods and the six months ended 30 June 2025, respectively, are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Salaries, allowances and benefits in kind	4,416	2,251	1,201	2,978
Performance related bonuses	3,074	1,267	633	1,307
Share-based payment expense	1,855	653	327	125
Pension scheme contributions	210	83	39	98
Total	9,555	4,254	2,200	4,508

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(Unaudited)	
HK$500,001 to HK$1,000,000	–	–	–	1
HK$1,000,001 to HK$1,500,000	–	–	2	2
HK$1,500,001 to HK$2,000,000	1	–	–	1
HK$2,000,001 to HK$2,500,000	–	2	–	–
HK$2,500,001 to HK$3,000,000	2	–	–	–
HK$3,000,001 to HK$3,500,000	1	–	–	–
Total	4	2	2	4

During and prior to the Relevant Periods and the six months ended 30 June 2025, certain non-director and non-chief executive highest paid employees were granted restricted stocks of the Company in respect of their services to the Group, under the share-based incentive schemes of the Group, further details of which are set out in note 31 to the Historical Financial Information. The fair value of such share options and restricted stocks, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2025 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in Chinese mainland are subject to corporate income tax ("**CIT**") at a rate of 25% on the taxable income during the Relevant Periods and the six months ended 30 June 2025 except for the Company which was subject to tax concession set out below.

The Company was accredited as a "High and New Technology Enterprise" ("**HNTE**") in 2022, and the qualification was renewed in 2025. Therefore, the Company was entitled to a preferential CIT rate of 15% for the Relevant Periods and the six months ended 30 June 2025. The qualification as an HNTE is subject to review by the relevant tax authority in the PRC every three years.

United States of America

The subsidiary incorporated in Delaware, the United States of America was subject to statutory United States federal corporate income tax at a rate of 21% during the Relevant Periods and the six months ended 30 June 2025.

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Current tax charged for the year/period	16,397	6,867	5,708	1,283

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdictions in which the Company and its major subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Loss before tax	(139,719)	(611,541)	(322,471)	(532,657)
Tax at the statutory tax rate of 25%	(34,930)	(152,885)	(80,618)	(133,164)
Effect of different tax rates	15,270	52,851	28,013	48,589
Effect of share of results of profits and losses attributable to associates	1,828	324	48	(363)
Expenses not deductible for tax	132	1,378	617	484
Additional deductible allowance for research and development expenses	(36,021)	(34,239)	(11,869)	(24,196)
Tax losses utilised from previous periods	–	(110)	(206)	–
Deductible temporary differences and tax losses not recognised	69,643	135,329	65,504	109,888
Others	475	4,219	4,219	45
Tax charge at the Group's effective rate	16,397	6,867	5,708	1,283

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses and deductible temporary differences can be utilised.

11. DIVIDENDS

There was no dividend declared or paid by the Company during the Relevant Periods and the six months ended 30 June 2025.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year/period attributable to the ordinary equity holders of the parent, and the weighted average number of ordinary shares of 52,648,177, 59,048,614, 59,048,614 and 59,048,614 (unaudited) outstanding during the Relevant Periods and the six months ended 30 June 2025, respectively. All issued ordinary shares with special rights (note 27), were included in the weighted average number of ordinary shares for the calculation of basic loss per share.

The calculation of the diluted loss per share is based on the loss for the year/period attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive impact of the change in fair value of redemption liabilities on equity shares. The weighted average number of ordinary shares used in the calculation of diluted loss per share is based on the number of ordinary shares outstanding during the year/period used in the basic loss per share calculation adjusted for the dilutive effect of redemption liabilities on equity shares. The Company assessed the dilutive effect of the redemption liabilities in relation to redemption right arising from each round of financing during the Relevant Periods and the six months ended 30 June 2025 in accordance with the requirement of IAS 33.63. The shares with redemption rights arising from Series A, B, C and C+ rounds of pre-IPO financing were assessed to have dilutive effect during the year ended 31 December 2024, and the redemption rights were assumed to have been exercised at the beginning of the year for the purpose of calculating the dilutive effect.

In calculating the diluted loss per share for the year ended 31 December 2024, as the settlement price of the Company's shares with special rights (note 27) exceeded the average market price of the ordinary shares, additional shares were assumed to have been issued at the beginning of the year. The incremental ordinary shares calculated in accordance with IAS 33.63, representing the net excess of the number of shares assumed to be issued over the number of outstanding ordinary shares to be repurchased, were additionally included to the total weighted average number of ordinary shares in the calculation of diluted loss per share.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2025 and the six months ended 30 June 2025 and 2026 in respect of a dilution as the impact of the Company's shares with special rights had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Loss				
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(149,286)	(610,598)	(323,862)	(530,179)
Less: changes in fair value of redemption liabilities on equity shares that have dilutive effect	65,223	–	–	–
Loss attributable to ordinary equity holders of the parent, used in the diluted loss per share calculation	(214,509)	(610,598)	(323,862)	(530,179)

	Number of shares			
	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025** (Unaudited)	**2026**
Shares				
Weighted average number of ordinary shares outstanding during the year/period used in the basic loss per share calculation	52,648,177	59,048,614	59,048,614	59,048,614
Effect of dilution – weighted average number of ordinary shares:				
Redemption liabilities on equity shares that have dilutive effect	11,521,230	–	–	–
Weighted average number of ordinary shares outstanding during the year/period used in the diluted loss per share calculation	64,169,407	59,048,614	59,048,614	59,048,614

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings *RMB'000*	Machinery *RMB'000*	Electronic equipment *RMB'000*	Motor vehicles *RMB'000*	Office furniture *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2024								
At 1 January 2024:								
Cost	180,931	116,764	6,775	434	14,423	25,288	210,876	555,491
Accumulated depreciation	(7,002)	(24,580)	(3,726)	(98)	(3,851)	(5,788)	–	(45,045)
Net carrying amount	173,929	92,184	3,049	336	10,572	19,500	210,876	510,446
At 1 January 2024, net of accumulated depreciation	173,929	92,184	3,049	336	10,572	19,500	210,876	510,446
Additions	–	23,924	690	–	953	3,273	40,030	68,870
Disposals	–	(6)	–	–	(12)	–	–	(18)
Transfer	160,550	21,040	87	–	776	–	(182,453)	–
Depreciation provided during the year	(22,126)	(21,766)	(1,696)	(82)	(2,973)	(3,424)	–	(52,067)
At 31 December 2024, net of accumulated depreciation	312,353	115,376	2,130	254	9,316	19,349	68,453	527,231
At 31 December 2024:								
Cost	341,483	161,722	7,552	434	16,140	28,561	68,453	624,345
Accumulated depreciation	(29,130)	(46,346)	(5,422)	(180)	(6,824)	(9,212)	–	(97,114)
Net carrying amount	312,353	115,376	2,130	254	9,316	19,349	68,453	527,231

	Buildings *RMB'000*	Machinery *RMB'000*	Electronic equipment *RMB'000*	Motor vehicles *RMB'000*	Office furniture *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2025								
At 1 January 2025:								
Cost	341,483	161,722	7,552	434	16,140	28,561	68,453	624,345
Accumulated depreciation	(29,130)	(46,346)	(5,422)	(180)	(6,824)	(9,212)	–	(97,114)
Net carrying amount	312,353	115,376	2,130	254	9,316	19,349	68,453	527,231
At 1 January 2025, net of accumulated depreciation	312,353	115,376	2,130	254	9,316	19,349	68,453	527,231
Additions	–	8,653	2,066	–	292	13,381	47,266	71,658
Disposals	–	(529)	–	–	–	–	–	(529)
Transfer	17,632	34,578	4,744	–	85	–	(57,039)	–
Depreciation provided during the year	(19,973)	(26,754)	(1,218)	(83)	(2,997)	(4,806)	–	(55,831)
At 31 December 2025, net of accumulated depreciation	310,012	131,324	7,722	171	6,696	27,924	58,680	542,529
At 31 December 2025:								
Cost	359,115	204,424	14,362	434	16,517	41,942	58,680	695,474
Accumulated depreciation	(49,103)	(73,100)	(6,640)	(263)	(9,821)	(14,018)	–	(152,945)
Net carrying amount	310,012	131,324	7,722	171	6,696	27,924	58,680	542,529

	Buildings	Machinery	Electronic equipment	Motor vehicles	Office furniture	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2026								
At 1 January 2026:								
Cost	359,115	204,424	14,362	434	16,517	41,942	58,680	695,474
Accumulated depreciation	(49,103)	(73,100)	(6,640)	(263)	(9,821)	(14,018)	–	(152,945)
Net carrying amount	310,012	131,324	7,722	171	6,696	27,924	58,680	542,529
At 1 January 2026, net of accumulated depreciation	310,012	131,324	7,722	171	6,696	27,924	58,680	542,529
Additions	–	8,244	2,242	13	44	3,611	10,097	24,251
Disposals	–	(2)	–	–	(19)	–	–	(21)
Transfer	296	6,217	–	–	–	1,772	(8,285)	–
Depreciation provided during the period	(10,152)	(15,473)	(703)	(42)	(1,552)	(2,944)	–	(30,866)
At 30 June 2026, net of accumulated depreciation	300,156	130,310	9,261	142	5,169	30,363	60,492	535,893
At 30 June 2026:								
Cost	359,411	218,841	16,604	447	16,323	47,325	60,492	719,443
Accumulated depreciation	(59,255)	(88,531)	(7,343)	(305)	(11,154)	(16,962)	–	(183,550)
Net carrying amount	300,156	130,310	9,261	142	5,169	30,363	60,492	535,893

As at 31 December 2024 and 2025 and 30 June 2026, certain buildings with net carrying amounts of approximately RMB312,360,000, RMB310,013,000 and RMB224,370,000, respectively, were pledged to secure general banking facilities and borrowings granted to the Group (note 26).

The Company

	Machinery *RMB'000*	Electronic equipment *RMB'000*	Office furniture *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	48,501	3,185	8,287	21,049	81,022
Accumulated depreciation	(15,280)	(1,852)	(3,000)	(4,954)	(25,086)
Net carrying amount	33,221	1,333	5,287	16,095	55,936
At 1 January 2024, net of accumulated depreciation	33,221	1,333	5,287	16,095	55,936
Additions	18,861	150	5	2,321	21,337
Disposals	(7)	–	(13)	–	(20)
Depreciation provided during the year	(10,601)	(857)	(1,570)	(2,352)	(15,380)
At 31 December 2024, net of accumulated depreciation	41,474	626	3,709	16,064	61,873
At 31 December 2024:					
Cost	67,355	3,335	8,280	23,370	102,340
Accumulated depreciation	(25,881)	(2,709)	(4,571)	(7,306)	(40,467)
Net carrying amount	41,474	626	3,709	16,064	61,873

	Machinery *RMB'000*	Electronic equipment *RMB'000*	Office furniture *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	67,355	3,335	8,280	23,370	–	102,340
Accumulated depreciation	(25,881)	(2,709)	(4,571)	(7,306)	–	(40,467)
Net carrying amount	41,474	626	3,709	16,064	–	61,873
At 1 January 2025, net of accumulated depreciation	41,474	626	3,709	16,064	–	61,873
Additions	2,129	1,634	54	10,424	13,526	27,767
Disposals	(69)	–	–	–	–	(69)
Transfer	2,009	–	–	–	(2,009)	–
Depreciation provided during the year	(12,123)	(369)	(1,575)	(3,022)	–	(17,089)
At 31 December 2025, net of accumulated depreciation	33,420	1,891	2,188	23,466	11,517	72,482
At 31 December 2025:						
Cost	71,424	4,969	8,334	33,794	11,517	130,038
Accumulated depreciation	(38,004)	(3,078)	(6,146)	(10,328)	–	(57,556)
Net carrying amount	33,420	1,891	2,188	23,466	11,517	72,482

	Machinery *RMB'000*	Electronic equipment *RMB'000*	Office furniture *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
30 June 2026						
At 1 January 2026:						
Cost	71,424	4,969	8,334	33,794	11,517	130,038
Accumulated depreciation	(38,004)	(3,078)	(6,146)	(10,328)	–	(57,556)
Net carrying amount	33,420	1,891	2,188	23,466	11,517	72,482
At 1 January 2026, net of accumulated depreciation	33,420	1,891	2,188	23,466	11,517	72,482
Additions	5,983	1,691	20	3,548	3,625	14,867
Disposals	–	–	(19)	–	–	(19)
Transfer	5,552	–	–	–	(5,552)	–
Depreciation provided during the period	(6,354)	(359)	(776)	(1,775)	–	(9,264)
At 30 June 2026, net of accumulated depreciation	38,601	3,223	1,413	25,239	9,590	78,066
At 30 June 2026:						
Cost	82,951	6,660	8,116	37,342	9,590	144,659
Accumulated depreciation	(44,350)	(3,437)	(6,703)	(12,103)	–	(66,593)
Net carrying amount	38,601	3,223	1,413	25,239	9,590	78,066

14. LEASES

The Group as a lessee

The Group has certain lease contracts for land use right and various items of office premises used in its operations. Land use right has term for usage of approximately 50 years and lease of office premises generally have lease terms between 2 to 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Land use right *RMB'000*	Office premises *RMB'000*	Total *RMB'000*
As at 1 January 2024	34,524	39,129	73,653
Additions	–	5,726	5,726
Early termination of leases	–	(361)	(361)
Depreciation charge	(745)	(8,796)	(9,541)
As at 31 December 2024 and 1 January 2025	33,779	35,698	69,477
Additions	–	739	739
Revision of lease payments	–	(270)	(270)
Depreciation charge	(745)	(9,174)	(9,919)
As at 31 December 2025 and 1 January 2026	33,034	26,993	60,027
Additions	11,227	503	11,730
Depreciation charge	(392)	(4,450)	(4,842)
As at 30 June 2026	43,869	23,046	66,915

As at 31 December 2024 and 2025 and 30 June 2026, certain land use right with net carrying amounts of approximately RMB33,779,000, RMB33,034,000 and RMB13,576,000, respectively, were pledged to secure general banking facilities and other borrowings granted to the Group (note 26).

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year/period	40,967	38,248	28,858
New leases	5,699	739	429
Revision of lease payments	–	(270)	–
Accretion of interest recognised during the year/period	1,946	1,501	603
Payments	(10,364)	(11,360)	(3,930)
Carrying amount at end of year/period	38,248	28,858	25,960
Analysed into:			
Current portion	9,321	8,852	10,788
Non-current portion	28,927	20,006	15,172

The maturity analysis of the Group's lease liabilities is disclosed in note 38 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	1,946	1,501	790	603
Depreciation charge of right-of-use assets	9,541	9,919	4,949	4,842
Expense relating to short-term leases included in profit or loss	1,928	1,149	559	613
Total amount recognised in profit or loss	13,415	12,569	6,298	6,058

(d) The total cash outflow for leases is disclosed in note 33(c) to the Historical Financial Information.

The Company as a lessee

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises *RMB'000*
As at 1 January 2024	32,160
Additions	449
Depreciation charge	(5,565)
As at 31 December 2024 and 1 January 2025	27,044
Additions	292
Depreciation charge	(5,534)
As at 31 December 2025 and 1 January 2026	21,802
Additions	503
Depreciation charge	(2,715)
As at 30 June 2026	19,590

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		**30 June**
	2024 *RMB'000*	**2025** *RMB'000*	**2026** *RMB'000*
Carrying amount at beginning of year/period	33,102	28,328	23,218
New leases	448	292	429
Accretion of interest recognised during the year/period	1,430	1,214	516
Payments	(6,652)	(6,616)	(1,972)
Carrying amount at end of year/period	28,328	23,218	22,191
Analysed into:			
Current portion	9,321	5,259	7,960
Non-current portion	19,007	17,959	14,231

15. INTANGIBLE ASSETS

The Group

	Software *RMB'000*	Patents *RMB'000*	Total *RMB'000*
At 1 January 2024			
Cost	9,370	–	9,370
Accumulated amortisation	(1,639)	–	(1,639)
Net carrying amount	7,731	–	7,731
At 1 January 2024, net of accumulated amortisation	7,731	–	7,731
Additions	1,735	–	1,735
Amortisation provided during the year	(1,040)	–	(1,040)
At 31 December 2024, net of accumulated amortisation	8,426	–	8,426
At 31 December 2024 and 1 January 2025			
Cost	11,105	–	11,105
Accumulated amortisation	(2,679)	–	(2,679)
Net carrying amount	8,426	–	8,426
At 1 January 2025, net of accumulated amortisation	8,426	–	8,426
Additions	4,078	5,000	9,078
Amortisation provided during the year	(1,418)	(114)	(1,532)
At 31 December 2025, net of accumulated amortisation	11,086	4,886	15,972
At 31 December 2025 and 1 January 2026			
Cost	15,183	5,000	20,183
Accumulated amortisation	(4,097)	(114)	(4,211)
Net carrying amount	11,086	4,886	15,972
At 1 January 2026, net of accumulated amortisation	11,086	4,886	15,972
Additions	268	–	268
Amortisation provided during the period	(819)	(171)	(990)
At 30 June 2026, net of accumulated amortisation	10,535	4,715	15,250
At 30 June 2026			
Cost	15,451	5,000	20,451
Accumulated amortisation	(4,916)	(285)	(5,201)
Net carrying amount	10,535	4,715	15,250

The Company

	Software *RMB'000*
At 1 January 2024	
Cost	8,499
Accumulated amortisation	(1,520)
Net carrying amount	6,979
At 1 January 2024, net of accumulated amortisation	6,979
Additions	994
Amortisation provided during the year	(863)
At 31 December 2024, net of accumulated amortisation	7,110
At 31 December 2024 and 1 January 2025	
Cost	9,493
Accumulated amortisation	(2,383)
Net carrying amount	7,110
At 1 January 2025, net of accumulated amortisation	7,110
Additions	3,792
Amortisation provided during the year	(1,100)
At 31 December 2025, net of accumulated amortisation	9,802
At 31 December 2025 and 1 January 2026	
Cost	13,285
Accumulated amortisation	(3,483)
Net carrying amount	9,802
At 1 January 2026, net of accumulated amortisation	9,802
Additions	268
Amortisation provided during the period	(647)
At 30 June 2026, net of accumulated amortisation	9,423
At 30 June 2026	
Cost	13,553
Accumulated amortisation	(4,130)
Net carrying amount	9,423

16. INVESTMENTS IN ASSOCIATES

The Group

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	12,505	14,702	16,117

The Group's associates operate in Chinese mainland. The following table illustrates the aggregate financial information of the Group's associates:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Share of the associates' (losses)/profit for the year/period	(8,111)	(1,304)	(650)	1,415
Share of the associates' total comprehensive (losses)/profit for the year/period	(8,111)	(1,304)	(650)	1,415
Aggregate carrying amount of the Group's investments in associates	12,505	14,702	11,855	16,117

Particulars of the associates are as follows:

31 December 2024

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd.* ("**Bailingyun**")	Ordinary shares	PRC/Chinese mainland	8.8%	Research and development services
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	Ordinary shares	PRC/Chinese mainland	40.0%	Research and development services

31 December 2025

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd.*	Ordinary shares	PRC/Chinese mainland	8.8%	Research and development services
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	Ordinary shares	PRC/Chinese mainland	40.0%	Research and development services
Chengdu Nuohe Glotope Pharmaceutical Technology Co., Ltd.** ("**Nuohe Glotope**")	Ordinary shares	PRC/Chinese mainland	38.9%	Professional technical services

30 June 2026

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd.*	Ordinary shares	PRC/Chinese mainland	8.8%	Research and development services
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	Ordinary shares	PRC/Chinese mainland	40.0%	Research and development services
Chengdu Nuohe Glotope Pharmaceutical Technology Co., Ltd.**	Ordinary shares	PRC/Chinese mainland	38.9%	Professional technical services

* In November 2017, the Company, Liu Li, Liu Min and Xu Bailing entered into an investment agreement in relation to the subscription of 555,600 newly issued shares of Bailingyun for a consideration of RMB3,000,000. In 2020, the Company entered into an agreement with Liu Li to sell 66,700 shares for a consideration of RMB360,000. The Company considers that it has significant influence over Bailingyun, notwithstanding its 8.8% equity interest in Bailingyun, because the Company has the right to appoint a director to the board of directors of Bailingyun pursuant to the articles of association of Bailingyun. This enables the Company to participate in the financial and operating policy decisions of Bailingyun and thereby exercise significant influence over Bailingyun. Accordingly, Bailingyun is considered an associate of the Company, and the investment in Bailingyun is accounted for using the equity method.

** In October 2025, Glotope Advanced Pharmaceutical Technology Ltd., Beijing Novo Demei Pharmaceutical Technology Co., Ltd. and Jiangsu Wangao Pharmaceutical Co., Ltd. entered into an investment agreement in relation to the subscription for 3,500,000 newly issued shares of Nuohe Glotope for a consideration of RMB3,500,000. The Group considers that it has significant influence over Nuohe Glotope by virtue of its 38.89% equity interest in Nuohe Glotope. In addition, pursuant to the articles of association of Nuohe Glotope, the Group has the right to appoint a director to the board of directors of Nuohe Glotope. This enables the Group to participate in the financial and operating policy decisions of Nuohe Glotope and thereby exercise significant influence over Nuohe Glotope. Accordingly, Nuohe Glotope is considered an associate of the Group, and the investment in Nuohe Glotope is accounted for using the equity method.

The Company

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	2,598	2,557	2,465

The Company's associate operates in Chinese mainland. The following table illustrates the aggregate financial information of the Company's associate:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Share of the associate's (loss)/profit for the year/period	–	(41)	48	(92)
Share of the associate's total comprehensive (loss)/profit for the year/period	–	(41)	48	(92)
Aggregate carrying amount of the Company's investments in an associate	2,598	2,557	2,646	2,465

Particulars of the associate are as follows:

31 December 2024

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd.*	Ordinary shares	PRC/Chinese mainland	8.8%	Research and development services

31 December 2025

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd.*	Ordinary shares	PRC/Chinese mainland	8.8%	Research and development services

30 June 2026

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Beijing Bailingyun Biomedical Technology Co., Ltd.*	Ordinary shares	PRC/Chinese mainland	8.8%	Research and development services

17. INVENTORIES

The Group

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	19,768	19,256	21,226
Work in progress	10,169	6,644	6,415
Finished goods	626	790	740
	30,563	26,690	28,381
Impairment	(2,781)	(2,055)	(342)
Total	27,782	24,635	28,039

The Company

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	14,517	12,563	13,664
Work in progress	693	277	298
Finished goods	578	741	691
	15,788	13,581	14,653
Impairment	(2,781)	(342)	(342)
Total	13,007	13,239	14,311

18. TRADE RECEIVABLES

The Group

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	25,899	60,809	76,728
Impairment	(1,897)	(4,818)	(5,796)
Net carrying amount	24,002	55,991	70,932

The Group's trade receivables are settled in accordance with the terms of the respective contracts. The Group generally allows a credit period of 30 days to 280 days to its customers upon customers' acceptance. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The directors of the Company are of the view that there has been no significant increase in credit risk of default because the amounts are from customers with good reputation or good payment record. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's associates of RMB240,000, RMB2,541,000 and RMB1,198,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the goods or service acceptance date and net of loss allowance, is as follows:

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	21,209	46,258	58,475
13 to 24 months	1,311	7,898	10,622
25 to 36 months	1,482	846	846
37 to 48 months	–	989	989
Total	24,002	55,991	70,932

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
At beginning of year/period	640	1,897	1,897	4,818
Impairment losses	1,257	2,921	1,312	982
Exchange realignment	–	–	–	(4)
At end of year/period	1,897	4,818	3,209	5,796

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are determined based on the ageing for groupings of various customer segments with similar loss patterns, and with reference to those of other market practitioners in related industries. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. When there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

Collectively assessed:

As at 31 December 2024

	Ageing			
	Within 12 months	**13 to 24 months**	**25 to 36 months**	**Total**
Expected credit loss rate	5.00%	10.00%	30.00%	7.32%
Gross carrying amount *(RMB'000)*	22,325	1,457	2,117	25,899
Expected credit losses *(RMB'000)*	1,116	146	635	1,897

As at 31 December 2025

	Ageing				
	Within 12 months	**13 to 24 months**	**25 to 36 months**	**37 to 48 months**	**Total**
Expected credit loss rate	4.91%	10.00%	39.61%	50.18%	7.92%
Gross carrying amount *(RMB'000)*	48,647	8,776	1,401	1,985	60,809
Expected credit losses *(RMB'000)*	2,389	878	555	996	4,818

As at 30 June 2026

	Ageing				
	Within 12 months	**13 to 24 months**	**25 to 36 months**	**37 to 48 months**	**Total**
Expected credit loss rate	4.98%	10.00%	39.61%	50.18%	7.55%
Gross carrying amount *(RMB'000)*	61,540	11,802	1,401	1,985	76,728
Expected credit losses *(RMB'000)*	3,065	1,180	555	996	5,796

The Company

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	26,637	55,106	74,522
Impairment	(1,042)	(2,361)	(2,278)
Net carrying amount	25,595	52,745	72,244

Included in the Company's trade receivable balances as at 31 December 2024 and 2025 and 30 June 2026 are amounts due from subsidiaries of RMB14,466,000, RMB39,432,000 and RMB60,136,000, respectively, which are repayable on terms mutually agreed among the entities involved.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the goods/services acceptance date and net of loss allowance, is as follows:

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	23,330	42,670	63,133
13 to 24 months	1,244	8,517	7,553
25 to 36 months	1,021	830	830
37 to 48 months	–	728	728
Total	25,595	52,745	72,244

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
At beginning of year/period	435	1,042	1,042	2,361
Impairment losses/(reversal of impairment losses)	607	1,319	798	(83)
At end of year/period	1,042	2,361	1,840	2,278

No impairment provision is made against the trade receivables from subsidiaries because the management considered that the expected credit loss rate with respect to the trade receivables from subsidiaries is minimal.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix.

Collectively assessed:

As at 31 December 2024

	Ageing			
	Within 12 months	13 to 24 months	25 to 36 months	Total
Expected credit loss rate	1.96%	9.98%	29.99%	3.91%
Gross carrying amount *(RMB'000)*	23,797	1,383	1,457	26,637
Expected credit losses *(RMB'000)*	467	138	437	1,042

As at 31 December 2025

	Ageing				
	Within 12 months	13 to 24 months	25 to 36 months	37 to 48 months	Total
Expected credit loss rate	0.47%	9.34%	39.99%	50.00%	4.28%
Gross carrying amount *(RMB'000)*	42,873	9,394	1,383	1,456	55,106
Expected credit losses *(RMB'000)*	203	877	553	728	2,361

As at 30 June 2026

	Ageing				
	Within 12 months	13 to 24 months	25 to 36 months	37 to 48 months	Total
Expected credit loss rate	0.25%	10.00%	39.99%	50.00%	3.06%
Gross carrying amount *(RMB'000)*	63,291	8,392	1,383	1,456	74,522
Expected credit losses *(RMB'000)*	158	839	553	728	2,278

19. CONTRACT ASSETS

The Group

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Contract assets	–	5,311	13,066
Impairment	–	(266)	(653)
Net carrying amount	–	5,045	12,413

The expected timing of recovery or settlement for contract assets as at 31 December 2024 and 2025 and 30 June 2026 is as follows:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	–	5,045	12,413
Total	–	5,045	12,413

The movements in the loss allowance for impairment of contract assets are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
At beginning of year/period	–	–	–	266
Impairment losses	–	266	–	387
At end of year/period	–	266	–	653

Set out below is the information about the credit risk exposure on the Group's contract assets.

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
Expected credit loss rate	–	5.01%	5.00%
Gross carrying amount *(RMB'000)*	–	5,311	13,066
Expected credit losses *(RMB'000)*	–	266	653

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	24,413	27,111	27,080
Other receivables	6,857	5,841	10,378
Deferred listing expense	–	4,244	7,047
Value-added tax recoverable	–	10,837	20,032
Others	–	528	665
Total	31,270	48,561	65,202
Non-current:			
Prepayments for long-term assets	20,014	1,844	4,464
Prepayment for in-license*	8,706	8,706	8,706
Value-added tax recoverable	53,015	52,684	48,705
Others	2,948	3,710	3,406
Total	84,683	66,944	65,281

The Company

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	22,619	22,179	21,259
Other receivables	2,311	2,519	3,807
Deferred listing expense	–	4,244	7,047
Value-added tax recoverable	–	2,553	14,385
Others	–	228	666
Due from subsidiaries	173,796	240,172	238,745
Total	198,726	271,895	285,909
Non-Current:			
Prepayments for long-term assets	18,317	–	2,230
Prepayment for in-license*	8,706	8,706	8,706
Value-added tax recoverable	36,071	39,916	37,454
Other	–	3,514	3,405
Total	63,094	52,136	51,795

The Company's amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

* The prepayment for in-license represented the amount recoverable if the related milestones were not achieved. Given the uncertainty surrounding the achievement of future milestones and the future economic benefits attributable to the in-license rights, the amount was recorded as a prepayment at the end of each of the Relevant Periods.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Structured deposits	248,706	110,101	103,696

The Company

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Structured deposits	103,188	100,077	53,626

The structured deposits were issued by commercial banks operating in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The fair values are based on net asset value of underlying investment within Level 2 of the fair value hierarchy.

22. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	472,288	479,054	341,600
Time deposits	772,446	562,954	514,273
Subtotal	1,244,734	1,042,008	855,873
Less: Pledged deposits	(410)	(30,000)	–
Time deposits with maturity date within one year	(531,778)	(275,240)	(410,910)
Time deposits with maturity date over one year	(240,668)	(287,714)	(103,363)
Cash and cash equivalents	471,878	449,054	341,600

The Company

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	228,760	309,089	181,237
Time deposits	707,300	382,182	347,997
Subtotal	936,060	691,271	529,234
Less: Time deposits with maturity date within one year	(466,632)	(94,468)	(244,634)
Time deposits with maturity date over one year	(240,668)	(287,714)	(103,363)
Cash and cash equivalents	228,760	309,089	181,237

At the end of each of the Relevant Periods, the Group's cash and bank balances denominated in USD amounted to RMB151,099,000, RMB8,858,000 and RMB21,503,000, respectively. The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between 1 month and 12 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

23. TRADE PAYABLES

The Group

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	33,722	38,286	54,153
13 to 24 months	784	398	535
Over 24 months	32	19	142
Total	34,538	38,703	54,830

Included in the Group's trade payable balance as of 31 December 2024 and 2025 and 30 June 2026 are amounts due to a related party of RMB117,000, RMB1,736,000 and RMB632,000, respectively, which is trade in nature, unsecured and interest-free, representing the unsettled research and development expenses.

The Company

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	40,561	62,187	80,529
13 to 24 months	–	342	520
Over 24 months	–	–	128
Total	40,561	62,529	81,177

Included in the Company's trade payable balance as of 31 December 2024 and 2025 and 30 June 2026 are amounts due to subsidiaries of RMB9,738,000, RMB33,529,000 and RMB40,869,000, respectively, which are repayable on terms mutually agreed among the entities involved.

Trade payables are non-interest-bearing and are normally settled within 30 days to 90 days.

24. CONTRACT LIABILITIES

The Group

An analysis of contract liabilities is as follows:

	1 January 2024	31 December 2024	31 December 2025	30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers	1,469	4,613	4,490	15,873

The Company

An analysis of contract liabilities is as follows:

	1 January 2024	31 December 2024	31 December 2025	30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers	1,318	500	–	12,113

Contract liabilities include short-term advances received to deliver goods and render services.

25. OTHER PAYABLES AND ACCRUALS

The Group

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current			
Payroll and welfare payables	32,275	39,962	29,616
Other tax payables	1,235	519	714
Accrued listing expense	–	5,523	8,335
Other payables			
– Payables for acquisition of long-lived assets	30,221	19,644	12,929
– Government grants	19,510	18,310	18,310
– Others	8,790	7,272	7,510
Subtotal	92,031	91,230	77,414
Non-current			
Other payables	6,481	74	74
Subtotal	6,481	74	74
Total	98,512	91,304	77,488

Other payables are non-interest-bearing.

The Company

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current			
Payroll and welfare payables	21,837	27,431	18,935
Other tax payables	147	24	–
Accrued listing expense	–	5,523	8,335
Other payables			
– Payables for acquisition of long-lived assets	549	2,818	1,179
– Due to subsidiaries	23,929	129,560	128,623
– Others	7,083	3,653	6,769
Total	53,545	169,009	163,841

Other payables are non-interest-bearing.

26. INTEREST-BEARING BANK BORROWINGS

The Group

	As at 31 December						As at 30 June		
	2024			2025			2026		
	Effective interest rate	Maturity	*RMB'000*	Effective interest rate	Maturity	*RMB'000*	Effective interest rate	Maturity	*RMB'000*
Current									
Bank loans	3.50%-4.00%	2025	10,558	4.20%-4.60%	2026	26,519	2.70%-4.25%	2026–2027	34,787
Bank loans	4.00%	On demand	2,550			–			–
			13,108			26,519			34,787
Non-current									
Bank loans	3.50%-4.85%	2026-2034	147,095	4.20%-4.60%	2027-2035	116,415	3.50%-4.25%	2027–2036	108,420
			147,095			116,415			108,420
			160,203			142,934			143,207

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans:			
Within one year or on demand	13,108	26,519	34,787
In the second year	–	27,990	26,920
In the third to fifth year, inclusive	82,095	67,625	56,250
Beyond five years	65,000	20,800	25,250
	160,203	142,934	143,207

The Group's interest-bearing bank borrowings are secured RMB-denominated loans.

As at 31 December 2024 and 2025 and 30 June 2026, the bank loans amounting to RMB160,095,000, RMB142,825,000 and RMB133,120,000, respectively, were secured by certain of the Group's buildings and land use rights.

As at 31 December 2024, the bank loans from Bank of China Limited. with maturity date from 1 April 2022 to 28 Feb 2026, amounting to RMB7,400,000 are subject to covenants that require debt-to-asset ratio of Guangdong Sinotau Molecular Imaging Technology Co., Ltd. not to exceed 70%. Guangdong Sinotau Molecular Imaging Technology Co., Ltd. failed to comply with the covenant as at 31 December 2024. Therefore, the lender may demand for immediate repayment of the subject bank loan. The bank loan from Bank of China Limited with original maturity date of 28 Feb 2026, amounting to RMB2,550,000, was reclassified into the current portion as at 31 December 2024. The bank loan has been repaid in 2025.

27. REDEMPTION LIABILITIES ON EQUITY SHARES

The Company has completed several rounds of financing before and during the Relevant Periods, details of which are set out in the table below (after taking into consideration of the impact on the number of shares due to division as explained below):

	Number of shares	Total consideration *RMB'000*
Series A Shares *(note 1)*	2,436,064	49,203
Series B Shares *(note 1)*	3,445,822	82,006
Series C Shares *(note 2)*	3,701,538	150,000
Series C+ Shares	2,455,830	130,000
Series D Shares	4,968,117	320,000
Series D+ Shares *(note 3)*	4,370,778	320,000
Series E Shares	19,349,802	1,700,000

Note 1: Pursuant to the then shareholders' resolutions dated 25 September 2019 ("**Separation Plan**"), the Company was divided into two companies, i.e., Beijing Xiantongyuan Pharmaceutical Technology Co., Ltd. (北京先通源醫藥科技股份有限公司) ("**Xiantongyuan**") and the Company, the registered capital of the Company after the division was decreased accordingly. After the division and transfer of shares between shareholders of the Company, the number of Series A Shares and Series B Shares was 2,436,064 and 3,445,822, respectively.

Note 2: In 2020 and 2021, Mr. Xu Xinsheng entered into share transfer agreements with six independent investors, pursuant to which, Mr. Xu Xinsheng transferred a total of 867,890 shares with no redemption rights of the Company he held to these investors with redemption rights added, and the number of Series C Shares was increased from 2,833,648 shares to 3,701,538 shares with no consideration received by the Company.

Note 3: As the valuation adjustment clause as agreed in the relevant share subscription agreement dated 26 September 2021 was triggered, Mr. Xu Xinsheng transferred 390,765 shares with no redemption rights to Series D+ investors with redemption rights added, and the number of Series D+ Shares was increased from 3,980,013 to 4,370,778 with no consideration received by the Company.

Note 4: Series A Shares, Series B Shares, Series C Shares, Series C+ Shares, Series D Shares and Series D+ Shares represented Round Jan-2017 Capital Increase, Dec-2017 Capital Increase, Jul-2020 Capital Increase, Sep-2020 Capital Increase, Feb-2021 Capital Increase and Oct-2021 Capital Increase, respectively, as set out in the section headed "History, Development and Corporate Structure" in the Prospectus.

Note 5: Series E Shares represented Round First Jun-2023 Capital Increase, Second-Jun 2023 Capital Increase, Nov-2024 Capital Increase and Jan-2025 Capital Increase as set out in the section headed "History, Development and Corporate Structure" in the Prospectus.

Series A Shares, Series B Shares, Series C Shares, Series C+ Shares, Series D Shares, Series D+ Shares and Series E Shares (Including Series E1 Shares, Series E2 Shares, Series E1+ Shares and Series E2+ Shares), that have special rights, are collectively referred as the Shares.

The key terms of the Shares are summarised as follows:

Redemption rights

Upon the occurrence of any redemption triggering events (including but not limited to material changes to the Company's principal operations and the Company's failure to complete a qualified IPO at specified dates), the Company, the persons acting in concert or the ultimate controlling owner of the Company shall, at the request of the equity holders of the Company with redemption rights, redeem all or any portion of the redemption liabilities held by such equity holders, at a redemption price to be determined as the investment cost plus a simple rate of 8% per annum and the declared but unpaid dividend.

Liquidation preferences

In the event of any liquidation, dissolution, winding up or change of control of the Company, all assets and funds of the Company or any proceeds therefrom distributable with respect to any of the shares of the Company legally available for distribution to the equity holders shall be distributed to the equity holders of the Company with liquidation rights. Holders of the Shares shall be entitled to an amount which is the higher of (i) the net assets of the Company attributable to the equity holders in proportion; and (ii) the investment cost plus a simple rate of 8% per annum and the declared but unpaid dividend in the sequence as follows:

(1) Series E2+ Shares, Series E1+ Shares, Series E2 Shares, Series E1 Share

(2) Series D+ Shares

(3) Series D Shares

(4) Series C+ Shares, Series C Shares, Series B Shares, Series A Share

If there are any assets or funds remaining after the payment of liquidation price of each series investors, the remaining assets and funds of the Company available for distribution shall be distributed ratably among all equity holders according to the relative amounts of paid-in capital.

Anti-dilution rights

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require the Company and the founders to issue additional paid-in capital for nil consideration or the legally permitted lowest price to the investors, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Pursuant to a termination agreement entered into among the shareholders and the Company relating to such special rights dated 22 May 2025, the redemption rights ceased to be effective from the day of the first submission of the listing application form for the Listing and all other special rights would cease to be effective upon Listing provided that all such special rights shall be automatically reinstated as if the termination of such rights had never taken place in the event where (i) the application for the public offering is withdrawn, rejected or becomes invalid and the Company fails to re-submit the application within 6 months after the invalidation, or (ii) the Company fails to complete the public offering before the earlier of (a) the date falling 18 months after the submission of application and (b) 31 December 2026.

Presentation and classification

The Group and the Company have recognised the Shares as redemption liabilities on equity shares. The change in fair value of the Shares is charged to profit or loss except for the portion attributable to the Group's own credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the Shares attributable to changes in the Group's own credit risk is not significant.

The movements in the redemption liabilities on equity shares of the Company are set out as follows:

	Series A *RMB'000*	**Series B** *RMB'000*	**Series C** *RMB'000*	**Series C+** *RMB'000*	**Series D** *RMB'000*	**Series D+** *RMB'000*	**Series E1** *RMB'000*	**Series E2** *RMB'000*	**Series E1+** *RMB'000*	**Series E2+** *RMB'000*	**Total** *RMB'000*
At 1 January 2024	108,906	159,646	183,868	122,192	311,383	324,563	707,957	428,524	–	–	2,347,039
Issue of new shares	–	–	–	–	–	–	–	–	400,000	200,000	600,000
Fair value changes recognised in profit or loss	(13,110)	(19,774)	(19,409)	(12,930)	(22,956)	(17,565)	(24,928)	(15,108)	(10)	64	(145,726)
At 31 December 2024 and 1 January 2025	95,796	139,872	164,459	109,262	288,427	306,998	683,029	413,416	399,990	200,064	2,801,313
Fair value changes recognised in profit or loss	18,663	20,134	37,575	24,955	63,306	51,971	11,491	6,939	5,950	2,938	243,922
At 31 December 2025 land 1 January 2026	114,459	160,006	202,034	134,217	351,733	358,969	694,520	420,355	405,940	203,002	3,045,235
Fair value changes recognised in profit or loss	34,731	49,109	50,563	33,523	54,796	26,735	16,335	9,882	9,335	4,657	289,666
At 30 June 2026	149,190	209,115	252,597	167,740	406,529	385,704	710,855	430,237	415,275	207,659	3,334,901

From June 2023 to May 2026, one of the Company's subsidiaries, Glotope Advanced Pharmaceutical Technology Ltd., ("**Glotope**"), completed several rounds of financing as follows:

	Number of shares	Total consideration *RMB'000*
Glotope Series A1 Shares	34,558,823	235,000
Glotope Series A2 Shares	5,882,352	40,000
Glotope Series B Shares	7,123,162	50,000
Glotope Series B2 Shares	4,270,000	29,973
Glotope Series B+ Shares	9,488,063	70,000

In June 2023, Glotope issued 34,558,823 shares of series A1 equity shares with a par value of RMB1.00 per share ("**Glotope Series A1 Shares**") to several independent investors for cash consideration of RMB235,000,000 or RMB6.80 per share.

In August 2023, Glotope issued 5,882,352 shares of series A2 equity shares with a par value of RMB1.00 per share ("**Glotope Series A2 Shares**") to several independent investors for cash consideration of RMB40,000,000 or RMB6.80 per share.

In January 2025, Glotope issued 7,123,162 shares of series B equity shares with a par value of RMB1.00 per share ("**Glotope Series B Shares**") to several independent investors for cash consideration of RMB50,000,000 or RMB7.02 per share.

In September 2025, Glotope issued 4,270,000 shares of series B2 equity shares with a par value of RMB1.00 per share ("**Glotope Series B2 Shares**") to an independent investor for cash consideration of RMB29,973,000 or RMB7.02 per share.

In May 2026, Glotope issued 9,488,063 shares of series B+ equity shares with a par value of RMB1.00 per share ("**Glotope Series B+ Shares**") to an independent investor for cash consideration of RMB70,000,000 or RMB7.38 per share.

Glotope Series A1 Shares, Glotope Series A2 Shares, Glotope Series B Shares, Glotope Series B2 Shares and Glotope Series B+ Shares are collectively referred to as Glotope Shares.

The key terms of the Glotope Shares are summarised as follows:

Redemption rights

Upon the occurrence of certain redemption triggering events, Glotope, the ultimate controlling owner of Glotope and the employee stockholding platforms shall, at the request of the equity holders of Glotope with redemption rights within 36 months, redeem all or any portion of the redemption liabilities held by such equity holders, at a redemption price to be determined as the investment cost plus a prescribed return and the declared but unpaid dividend.

Liquidation preferences

In the event of any liquidation, dissolution, winding up or change of control of Glotope, all assets and funds of Glotope or any proceeds therefrom distributable with respect to any of the shares of Glotope legally available for distribution to the equity holders shall be distributed to the equity holders of Glotope with liquidation rights. Holders of the Glotope Shares shall be entitled to an amount equal to the investment cost plus a prescribed return and declared but unpaid dividend. If there are any assets or funds remaining after the payment of liquidation price of each series investors, the remaining assets and funds of Glotope available for distribution shall be distributed ratably among all equity holders according to the relative amounts of paid-in capital.

Anti-dilution rights

If Glotope increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require Glotope to issue additional paid-in capital to the investors at par value of RMB1.00 per share, or for nil consideration or at the legally permitted lowest price; or to receive cash compensation from Glotope and the ultimate controlling owner of Glotope; or to require employee stockholding platform to transfer the shares of Glotope to the investors for nil consideration, at par value of RMB1.00 per share or with the legally permitted lowest price, so that the total amount paid by the investors as divided by the total amount of paid-in capital issued to the investors is equal to the price per paid-in capital in the new issuance.

Presentation and classification

The Group and Glotope have recognised the Glotope Shares as redemption liabilities on equity shares. The change in fair value of the Glotope Shares is charged to profit or loss except for the portion attributable to the Group's own credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the Glotope Shares attributable to changes of own credit risk is not significant.

The movements in the redemption liabilities on equity shares of Glotope are set out as follows:

	Series A1 *RMB'000*	Series A2 *RMB'000*	Series B *RMB'000*	Series B2 *RMB'000*	Series B+ *RMB'000*	Total *RMB'000*
At 1 January 2024	241,472	41,033	–	–	–	282,505
Fair value changes recognised in profit or loss	8,933	1,503	–	–	–	10,436
At 31 December 2024 and 1 January 2025	250,405	42,536	–	–	–	292,941
Contribution from equity holders	–	–	50,000	29,973	–	79,973
Fair value changes recognised in profit or loss	3,497	587	1,443	574	–	6,101
At 31 December 2025 and 1 January 2026	253,902	43,123	51,443	30,547	–	379,015
Contribution from equity holders	–	–	–	–	70,000	70,000
Fair value changes recognised in profit or loss	12,182	2,086	2,646	1,640	1,610	20,164
At 30 June 2026	266,084	45,209	54,089	32,187	71,610	469,179

The movements of the redemption liabilities on equity shares of the Company and Glotope are set out as follows:

	The Company *RMB'000*	Glotope *RMB'000*	Total *RMB'000*
At 1 January 2024	2,347,039	282,505	2,629,544
Contribution from equity holders	600,000	–	600,000
Fair value changes recognised in profit or loss	(145,726)	10,436	(135,290)
At 31 December 2024 and 1 January 2025	2,801,313	292,941	3,094,254
Contribution from equity holders	–	79,973	79,973
Fair value changes recognised in profit or loss	243,922	6,101	250,023
At 31 December 2025 and 1 January 2026	3,045,235	379,015	3,424,250
Contribution from equity holders	–	70,000	70,000
Fair value changes recognised in profit or loss	289,666	20,164	309,830
At 30 June 2026	3,334,901	469,179	3,804,080

The Company engaged an independent valuer to determine the fair values of the redemption liabilities. The total equity value of the Group was determined using the backsolve method under the market approach. The equity value was allocated using a hybrid method combining the probability-weighted expected return method and the option pricing method to determine the fair values of the redemption liabilities at the end of each of the Relevant Periods.

The following table lists the key inputs that are used for the determination of the fair value of the redemption liabilities of the Company:

	31 December		30 June
	2024	2025	2026
Risk-free interest rate	1.08%	1.23%	1.00%
Expected volatility	49.62%	43.91%	37.27%
Discount for lack of marketability	2.89%-27.43%	0.48%-22.64%	0.21%-22.15%
Probability under:			
Initial public offering scenario	30%	40%	50%
Liquidation scenario	28%	20%	20%
Redemption scenario	42%	40%	30%

The following table lists the key inputs that are used for the determination of the fair value of the redemption liabilities of Glotope:

	31 December		30 June
	2024	2025	2026
Risk-free interest rate	1.27%	1.38%	1.26%
Expected volatility	48.34%	47.97%	46.10%
Discount for lack of marketability	11.60%-25.59%	9.60%-25.09%	8.15%-22.91%
Probability under:			
Initial public offering scenario	25%	25%	30%
Liquidation scenario	35%	35%	35%
Redemption scenario	40%	40%	35%

The Group estimated the risk-free interest rate based on the yield of the China treasury bonds with a maturity life close to period from the respective valuation dates to the expected liquidation dates. Volatility was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected redemption dates. The discount for lack of marketability ("**DLOM**") represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments. DLOM was estimated using the put option method and the value of put option is determined by the Finnerty Option Pricing Model.

Below is a summary of significant unobservable inputs to the fair values of the redemption liabilities together with a quantitative sensitivity analysis of the Company as at the end of each of the Relevant Periods:

		Sensitivity of fair value to the inputs		
	Sensitivity	31 December 2024 *RMB'000*	31 December 2025 *RMB'000*	30 June 2026 *RMB'000*
Risk-free interest rate	1% increase	(338)	(140)	(86)
	1% decrease	339	140	86
Expected volatility	5% increase	(38,021)	(29,972)	(30,556)
	5% decrease	38,551	29,972	30,689
Discount for lack of marketability	5% increase	(186,412)	(148,005)	(167,251)
	5% decrease	186,412	148,005	167,251
Probability under initial public offering scenario	5% increase	(1,076)	(590)	(334)
	5% decrease	1,076	590	334

Below is a summary of significant unobservable inputs to the fair values of the redemption liabilities together with a quantitative sensitivity analysis of Glotope as at the end of each of the Relevant Periods:

		Sensitivity of fair value to the inputs		
	Sensitivity	31 December 2024 *RMB'000*	31 December 2025 *RMB'000*	30 June 2026 *RMB'000*
Risk-free interest rate	1% increase	(281)	(227)	(194)
	1% decrease	285	229	196
Expected volatility	5% increase	(12,202)	(12,553)	(14,088)
	5% decrease	12,890	13,031	14,501
Discount for lack of marketability	5% increase	(38,275)	(42,079)	(49,426)
	5% decrease	38,275	42,079	49,426
Probability under initial public offering scenario	5% increase	(349)	(350)	(320)
	5% decrease	349	350	320

28. DEFERRED INCOME

The Group

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Government grants	19,153	21,783	20,277

The movements in government grants during the Relevant Periods are as follows:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year/period	5,728	19,153	21,783
Grants received during the year/period	14,295	7,522	230
Amount recognised in profit or loss during the year/period	(870)	(4,892)	(1,736)
At end of the year/period	19,153	21,783	20,277

Deferred income mainly represents government grants obtained in relation to the construction and acquisition of property, plant and equipment. Government grants are included in the consolidated statement of financial position as deferred income and credited to the profit or loss on a straight-line basis over the useful lives of the related assets.

The Company

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Government grants	6,406	7,644	6,611

29. DEFERRED TAX

The Group

The movements in deferred tax assets/(liabilities) during the Relevant Periods are as follows:

Deferred tax assets

	Lease liabilities	Tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	2,536	280	2,816
Deferred tax charged to profit or loss	(772)	(122)	(894)
At 31 December 2024 and 1 January 2025	1,764	158	1,922
Deferred tax (charged)/credited to profit or loss	(1,409)	504	(905)
At 31 December 2025 and 1 January 2026	355	662	1,017
Deferred tax charged to profit or loss	(355)	(652)	(1,007)
At 30 June 2026	–	10	10

Deferred tax liabilities

	Right-of-use assets *RMB'000*	Fair value gain arising from financial instruments *RMB'000*	Total *RMB'000*
At 1 January 2024	2,816	–	2,816
Deferred tax (credited)/charged to profit or loss	(1,052)	158	(894)
At 31 December 2024 and 1 January 2025	1,764	158	1,922
Deferred tax (credited)/charged to profit or loss	(1,306)	401	(905)
At 31 December 2025 and 1 January 2026	458	559	1,017
Deferred tax credited to profit or loss	(458)	(549)	(1,007)
At 30 June 2026	–	10	10

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position.

Deferred tax assets have not been recognised in respect of the following items:

	31 December		30 June
	2024 *RMB'000*	2025 *RMB'000*	2026 *RMB'000*
Tax losses:			
Expired in one to five years	411,743	183,476	205,913
Expired in one to ten years	1,250,272	2,212,075	2,547,092
Total	1,662,015	2,395,551	2,753,005

Tax losses arising in Chinese mainland will expire in one to five years or one to ten years for offsetting against future taxable profits.

The Company

The movements in deferred tax assets/(liabilities) during the Relevant Periods are as follows:

Deferred tax assets

	Lease liabilities *RMB'000*	Tax losses *RMB'000*	Total *RMB'000*
At 1 January 2024	1,073	–	1,073
Deferred tax (charged)/credited to profit or loss	(587)	28	(559)
At 31 December 2024 and 1 January 2025	486	28	514
Deferred tax charged to profit or loss	(118)	–	(118)
At 31 December 2025 and 1 January 2026	368	28	396
Deferred tax charged to profit or loss	(332)	(28)	(360)
At 30 June 2026	36	–	36

Deferred tax liabilities

	Right-of-use assets	Fair value gain arising from financial instruments	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	1,073	–	1,073
Deferred tax (credited)/charged to profit or loss	(587)	28	(559)
At 31 December 2024 and 1 January 2025	486	28	514
Deferred tax credited to profit or loss	(118)	–	(118)
At 31 December 2025 and 1 January 2026	368	28	396
Deferred tax credited to profit or loss	(332)	(28)	(360)
At 30 June 2026	36	–	36

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position.

Deferred tax assets have not been recognised in respect of the following items:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Tax losses:			
Expired in one to ten years	1,467,301	1,902,129	2,212,772
Total	1,467,301	1,902,129	2,212,772

The Company's tax losses arising in Chinese mainland will expire in one to ten years for offsetting against future taxable profits.

30. SHARE CAPITAL

Shares

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid:			
59,048,614 (2025: 59,048,614) ordinary shares	59,049	59,049	59,049

A summary of movements in the Company's share capital during the Relevant Periods is as follows:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	52,219	59,049	59,049
Contribution from equity holders	6,830	–	–
At end of year/period	59,049	59,049	59,049

Year ended 31 December 2024

In November 2024, the Company received cash contributions with an aggregate amount of RMB400,000,000 from one investor, of which RMB4,552,894 and RMB395,447,106 were recognised in share capital and capital reserve, respectively.

In December 2024, the Company received cash contributions with an aggregate amount of RMB200,000,000 from one investor, of which RMB2,276,447 and RMB197,723,553 were recognised in share capital and capital reserve, respectively.

31. SHARE-BASED PAYMENTS

The then general meetings of shareholders of the Company approved the "2019 Incentive Plan", "2021 Incentive Plan" and "2023 Incentive Plan", collectively, the "Share Incentive Scheme", for the purpose of attracting, retaining and rewarding the directors, senior management, employees and consultants (collectively the "**Eligible Participants**") who contribute to the success of the Group's operations. Beijing Sinotau Juli Science and Technology Development Center (Limited Partnership)* (北京先通聚力科技發展中心(有限合夥) ("**Sinotau Juli**"), Tianjin Sinotau Juneng Science and Technology Development Center (Limited Partnership)* (天津先通聚能科技發展中心(有限合夥) ("**Sinotau Juneng**"), Tianjin Sinotau Juzhi Science and Technology Development Center (Limited Partnership)* (天津先通聚智科技發展中心(有限合夥) ("**Sinotau Juzhi**"), Beijing Sinotau Juxin Science and Technology Development Center (Limited Partnership)* (北京先通聚鑫科技發展中心(有限合夥)* ("**Sinotau Juxin**") and Beijing Sinotau Juhui Science and Technology Development Center (Limited Partnership) (北京先通聚慧科技發展中心(有限合夥)* ("**Sinotau Juhui**") are used as employee shareholding platforms to facilitate the administration of the Share Incentive Scheme. Share options or restricted shares of the Company are awarded to the Eligible Participants by allocating shares in those employee shareholding platforms to them. The Eligible Participants will become the limited partners of those employee shareholding platforms and indirectly receive economic interests in the corresponding number of underlying shares of the Company held by the employee shareholding platforms. The Company has no control over these employee shareholding platforms. As of 31 December 2025, 4,600,604 shares of the Company were authorised and approved under the Share Incentive Scheme, of which, 864,054 shares were held by Sinotau Juli, 799,556 shares were held by Sinotau Juneng, 799,557 shares were held by Sinotau Juzhi, 1,775,726 shares were held by Sinotau Juxin and 361,711 were held by Sinotau Juhui.

The 2019 Incentive Plan

The then board of directors and the shareholders of the Company approved the 2019 Incentive Plan (the "**2019 Plan**") in May 2019. 310,752 shares of the Company were awarded under the 2019 Plan through Sinotau Juli and were vested immediately.

The then shareholders' resolution of the Company approved the Division of the Company in September 2019, after which, the registered capital of the Company was reduced. Accordingly, the 310,752 shares of the Company granted under the 2019 Plan were reduced to 168,337 shares of the Company after the Division.

The 2021 Incentive Plan

The board of directors and the shareholders of the Company approved the 2021 Incentive Plan (the "**2021 Plan**") in January 2021 and revised and approved the revised 2021 Incentive Plan (the "**New 2021 Plan**") in April 2023. 2,472,084 share options were granted to 66 employees and one consultant through Sinotau Juli, Sinotau Juneng, and Sinotau Juzhi in six batches from January 2021 to May 2023. The share options are vested immediately or generally subject to service-based vesting conditions over 1 to 9 years of services to be rendered by the Eligible Participants, counting from the applicable grant date or the date of joining the Company, and the unlocking details of share options, including timeframe and portion, are specified in the individual award letters.

In April 2023, the Company, the Eligible Participants and the employee holding platforms entered into the supplementary agreement. For the vested share options, the Eligible Participants paid the subscription price and became the limited partners of the employee stockholding platforms. For the unvested share options, the Eligible Participants could either make full payment of the subscription price and become the limited partners of the employee stockholding platforms or abandon the share options. For those Eligible Participants who chose to make full payments of the subscription price for those unvested share options, the unvested share options were modified to unvested restricted shares with the same vesting conditions of the original share options.

The 2023 Incentive Plan

The board of directors and the shareholders of the Company approved the 2023 Incentive Plan (the "**2023 Plan**") in June 2023. 2,137,437 restricted shares were granted to 45 employees through Sinotau Juzhi, Sinotau Juxin, and Sinotau Juhui in June 2023. The restricted shares were subject to service-based vesting conditions which would be satisfied over a 3-year term.

22,534 share options and 55,200 restricted shares were granted to Mr. Xu Xinsheng through Sinotau Juzhi and Sinotau Juhui in April 2025 and were vested immediately.

* The English names of these limited partnerships represent the best efforts made by the management of the Company to translate the Chinese names as they do not have official English names registered in the PRC.

Details of the granted restricted shares are as follows:

Date of grant	Number of shares	Subscription price per share *RMB*	Fair value at grant date per share *RMB*
2019-06-30	310,752*	1	23.06
2023-05-29	493,086	1	29.86
2023-06-15	2,137,437	1	29.66
2025-04-27	55,200	1	26.46
	2,996,475		

* The 310,752 shares were reduced to 168,337 shares of the Company after the Division in September 2019.

Details of the granted share options are as follows:

Date of grant	Number of shares	Subscription price per share *RMB*	Fair value at grant date per share *RMB*
2021-01-26	141,399	1	10.89
2021-03-09	1,019,389	1	12.18~12.25
2021-09-06	269,211	1	16.33~16.39
2022-03-31	448,251	1	17.71~17.79
2023-03-17	100,748	1	29.97~30.05
2025-04-27	22,534	1	26.46
	2,001,532		

The following restricted shares were outstanding under the Share Incentive Scheme during the Relevant Periods:

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
Restricted shares			
At beginning of year/period	2,548,096	2,268,751	2,202,029
Granted during the year/period	–	55,200	–
Exercised during the year/period	(279,345)	(121,922)	–
At end of year/period	2,268,751	2,202,029	2,202,029

The following share options were outstanding under the Share Incentive Scheme during the Relevant Periods:

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
Share options			
At beginning of year/period	100,918	100,918	100,918
Granted during the year/period	–	22,534	–
Exercised during the year/period	–	(22,534)	–
At end of year/period	100,918	100,918	100,918

During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, share-based payment expenses of RMB25,913,000, RMB25,869,000 and RMB125,000 were charged to profit or loss, respectively.

Fair value of restricted shares and share options

The fair values of the restricted shares and share options of the 2021 Incentive Plan, the New 2021 Plan and the 2023 Incentive Plan as at the respective grant dates were determined with reference to the fair value of ordinary shares on those grant dates, using the Backsolve method. The fair value of the share options of the 2021 Incentive Plan and the New 2021 Plan as at the grant date were determined using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to determine the fair value of restricted shares and share options granted for the year ended 31 December 2025:

	31 December 2025
Risk-free interest rate	1.42%
Expected volatility	43.19%
Discount for lack of marketability	0.9%-26.38%
Probability under:	
Initial public offering scenario	30%
Liquidation scenario	28%
Redemption scenario	42%

The fair value of the restricted shares of the 2019 Incentive Plan as at the grant date were determined using a market-based valuation technique, which requires that directors determine comparable public companies (peers) based on industry and size and calculate an enterprise value-to-sales ("**EV/Sales**") multiple for each of the comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable companies by the sales amount. The multiple is then discounted for considerations such as illiquidity.

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital Reserve

Capital Reserve represents the excess of the contributions from the equity holders of the Company over the corresponding amounts of paid-in capital issued.

(b) Share-based payment reserve

Share-based payment reserve is attributable to the fair value of share options and restricted shares of the Company granted to the Company's directors and the Group's employees, as further explained in the accounting policy for share-based payment in note 2.3 to the Historical Financial Information.

(c) Other Reserve

Other reserve of the Group represents the initial recognition of the redemption liabilities from reserve with the carrying amount of the consideration received from the holders of the Shares, investments with redemption rights are stipulated in note 27 to the Historical Financial Information.

In January 2024, Glotope entered into an agreement with Joinn Laboratories (China) Co., Ltd. ("**Joinn**") to purchase 30% of the equity shares of Jiangsu Sinotau Molecular Imaging Science and Technology Co. Ltd. ("**Jiangsu Sinotau**") held by Joinn with consideration of RMB35,000,000. The difference between the consideration and the equity attributable to the 30% of shares of Jiangsu Sinotau was RMB21,860,000, which was recorded in other reserve.

In December 2024, the Company made capital contribution to Glotope, resulting in the passive dilution of the equity attributable to the non-controlling shareholders of Glotope by RMB3,973,000, which was recorded in other reserve.

The Company

	Capital reserve *RMB'000*	Other reserve *RMB'000*	Share-based payment reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2024	2,172,662	(2,184,090)	55,439	(938,389)	(894,378)
Total comprehensive loss for the year	–	–	–	(84,981)	(84,981)
Issue of new shares	593,170	–	–	–	593,170
Recognition of financial liabilities at fair value through profit or loss	–	(600,000)	–	–	(600,000)
Share-based payments	–	–	25,913	–	25,913
At 31 December 2024 and 1 January 2025	2,765,832	(2,784,090)	81,352	(1,023,370)	(960,276)
Total comprehensive loss for the year	–	–	–	(512,203)	(512,203)
Share-based payments	–	–	25,869	–	25,869
At 31 December 2025 and 1 January 2026	2,765,832	(2,784,090)	107,221	(1,535,573)	(1,446,610)
Total comprehensive loss for the period	–	–	–	(481,543)	(481,543)
Share-based payments	–	–	125	–	125
At 30 June 2026	2,765,832	(2,784,090)	107,346	(2,017,116)	(1,928,028)

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets of RMB5,726,000, RMB739,000 and RMB429,000, and non-cash additions to lease liabilities of RMB5,699,000, RMB739,000 and RMB429,000 for the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, respectively, in respect of lease arrangements for offices premises.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings *RMB'000*	Lease liabilities *RMB'000*	Accrued listing expenses included in other payables *RMB'000*	Accrued transaction cost on issue of redemption liabilities on equity shares *RMB'000*
At 1 January 2024	142,473	40,967	–	–
Changes from financing cash flows	14,289	(10,364)	–	(5,345)
Additions	–	–	–	5,345
New leases	–	5,699	–	–
Interest expense	3,441	1,946	–	–
At 31 December 2024 and 1 January 2025	160,203	38,248	–	–
Changes from financing cash flows	(26,139)	(11,360)	(3,200)	–
Additions	–	–	4,244	–
Revision of lease terms	–	(270)	–	–
New leases	–	739	–	–
Interest expense	8,870	1,501	–	–
At 31 December 2025 and 1 January 2026	142,934	28,858	1,044	–
At 31 December 2024 and 1 January 2025	160,203	38,248	–	–
Changes from financing cash flows	(17,677)	(5,719)	(2,695)	–
Additions	–	–	4,123	–
New leases	–	–	–	–
Interest expense	3,422	790	–	–
At 30 June 2025 *(unaudited)*	145,948	33,319	1,428	–
At 31 December 2025 and 1 January 2026	142,934	28,858	1,044	–
Changes from financing cash flows	(2,444)	(3,930)	(2,492)	–
Additions	–	–	2,803	–
New leases	–	429	–	–
Interest expense	2,717	603	–	–
At 30 June 2026	143,207	25,960	1,355	–

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024 *RMB'000*	**2025** *RMB'000*	**2025** *RMB'000 (Unaudited)*	**2026** *RMB'000*
Within operating activities	1,928	1,149	559	613
Within financing activities	10,364	11,360	5,719	4,004
Total	12,292	12,509	6,278	4,617

34. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	31 December		30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	55,592	11,622	10,430

35. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Company are of the view that the following companies and personnel are related parties that had transactions or balances with the Group during the Relevant Periods:

Name of related parties	Relationship with the Group
Mr. Xu Xinsheng	Chief executive and executive director
Beijing Bailingyun Biomedical Technology Co., Ltd.	An associate of the Group
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	An associate of the Group
Beijing Hemingtang Pharmaceutical Co., Ltd.	An entity controlled by the spouse of one of the directors of the Company

(b) Transactions with related parties

The Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2025:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Purchase of research services:				
Beijing Bailingyun Biomedical Technology Co., Ltd.	–	248	–	–
Beijing Hemingtang Pharmaceutical Co., Ltd.	627	141	141	–
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	–	1,712	–	693
Purchase of raw materials:				
Beijing Hemingtang Pharmaceutical Co., Ltd.	78	1	1	–
Rental income:				
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	1,001	2,541	1,343	1,080
Sales of goods:				
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	–	–	–	28

The purchases of services and goods from the related parties were made according to the published prices and conditions agreed by the Group and the related parties.

(c) Other transactions with related parties

Mr. Xu Xinsheng and his spouse, had provided guarantees to certain bank loans granted to the Group amounting to RMB113,400,000, RMB103,250,000 and RMB66,500,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively. According to the Confirmation Letter on Consent to Release of Guarantee issued by the China Everbright Bank Co., ltd. to the Glotope (Wuxi) Pharmaceutical Technology Co., Ltd., the guarantees provided by related parties shall be terminated after the Company passes the hearing of the Stock Exchange and before the date of its successful listing on the Stock Exchange.

(d) Outstanding balances with related parties

	31 December		30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables:			
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	240	2,541	1,198
Other receivables:			
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	–	–	229
Trade payables:			
Beijing Hemingtang Pharmaceutical Co., Ltd.	117	–	–
Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd.	–	1,736	632

The Group's outstanding balance with Beijing Hemingtang Pharmaceutical Co., Ltd. is trade in nature, unsecured and interest-free, representing the unsettled research and development expenses.

The Group's outstanding balances with Wuxi Saifu Glotope Pharmaceutical Technology Co., Ltd. are trade in nature, unsecured and interest-free, representing the unsettled income and research and development expenses.

(e) Compensation of key management personnel of the Group

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	2,773	1,272	618	1,301
Performance related bonuses	1,066	240	120	423
Share-based payments	1,495	428	270	125
Pension scheme contributions	159	71	35	55
	5,493	2,011	1,043	1,904

Further details of directors', supervisors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

31 December 2024

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	24,002	24,002
Financial assets included in prepayments, other receivables and other assets	–	6,857	6,857
Financial assets at fair value through profit or loss	248,706	–	248,706
Cash and cash equivalents	–	471,878	471,878
Pledged deposits	–	410	410
Time deposits	–	772,446	772,446
Total	248,706	1,275,593	1,524,299

31 December 2025

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	55,991	55,991
Financial assets included in prepayments, other receivables and other assets	–	5,841	5,841
Financial assets at fair value through profit or loss	110,101	–	110,101
Cash and cash equivalents	–	449,054	449,054
Pledged deposits	–	30,000	30,000
Time deposits	–	562,954	562,954
Total	110,101	1,103,840	1,213,941

30 June 2026

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	70,932	70,932
Financial assets included in prepayments, other receivables and other assets	–	10,378	10,378
Financial assets at fair value through profit or loss	103,696	–	103,696
Cash and cash equivalents	–	341,600	341,600
Time deposits	–	514,273	514,273
Total	103,696	937,183	1,040,879

Financial liabilities

31 December 2024

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	34,538	34,538
Financial liabilities included in other payables and accruals	–	65,002	65,002
Interest-bearing bank borrowings	–	160,203	160,203
Financial liabilities at fair value through profit or loss	3,094,254	–	3,094,254
Total	3,094,254	259,743	3,353,997

31 December 2025

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	38,703	38,703
Financial liabilities included in other payables and accruals	–	50,823	50,823
Interest-bearing bank borrowings	–	142,934	142,934
Financial liabilities at fair value through profit or loss	3,424,250	–	3,424,250
Total	3,424,250	232,460	3,656,710

30 June 2026

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	54,830	54,830
Financial liabilities included in other payables and accruals	–	47,157	47,157
Interest-bearing bank borrowings	–	143,207	143,207
Financial liabilities at fair value through profit or loss	3,804,080	–	3,804,080
Total	3,804,080	245,194	4,049,274

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets at fair value through profit or loss, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the maturities of these instruments.

The Group's financial department headed by the financial manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of structured deposits have been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The details of the methods and assumptions used to estimate the fair values of the redemption liabilities on equity shares and a quantitative sensitivity analysis are set out in note 27 to the Historical Financial Information.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 December 2024

	Fair value measurement using significant observable inputs (Level 2)	Total
	RMB'000	*RMB'000*
Financial assets measured at fair value	248,706	248,706

31 December 2025

	Fair value measurement using significant observable inputs (Level 2)	Total
	RMB'000	*RMB'000*
Financial assets measured at fair value	110,101	110,101

30 June 2026

	Fair value measurement using significant observable inputs (Level 2)	Total
	RMB'000	*RMB'000*
Financial assets measured at fair value	103,696	103,696

Liabilities measured at fair value:

31 December 2024

	Fair value measurement using significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Redemption liabilities on equity shares	3,094,254	3,094,254
Total	3,094,254	3,094,254

31 December 2025

	Fair value measurement using significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Redemption liabilities on equity shares	3,424,250	3,424,250
Total	3,424,250	3,424,250

30 June 2026

	Fair value measurement using significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Redemption liabilities on equity shares	3,804,080	3,804,080
Total	3,804,080	3,804,080

The movements in fair value measurements of financial liabilities at fair value through profit or loss, i.e., the redemption liabilities, within Level 3 during the Relevant Periods are set out in note 27 to the Historical Financial Information.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits, financial assets at fair value through profit or loss, interest-bearing bank borrowings and redemption liabilities on equity shares. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The senior management reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in	Increase/(decrease) in loss before tax			
		Year ended 31 December		Six months ended 30 June	
	basis points	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Bank borrowings	100	1,575	1,429	730	716
Bank borrowings	(100)	(1,575)	(1,429)	(730)	(716)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	25,899	25,899
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,857	–	–	–	6,857
Cash and cash equivalents					
– Not yet past due	471,878	–	–	–	471,878
Time deposits	772,446	–	–	–	772,446
Pledged deposits	410	–	–	–	410
Total	1,251,591	–	–	25,899	1,277,490

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade receivables*	–	–	–	60,809	60,809
Financial assets included in prepayments, other receivables and other assets					
– Normal**	5,841	–	–	–	5,841
Cash and cash equivalents					
– Not yet past due	449,054	–	–	–	449,054
Time deposits	562,954	–	–	–	562,954
Pledged deposits	30,000	–	–	–	30,000
Total	1,047,849	–	–	60,809	1,108,658

30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade receivables*	–	–	–	76,728	76,728
Contract assets*	–	–	–	13,066	13,066
Financial assets included in prepayments, other receivables and other assets					
– Normal**	10,378	–	–	–	10,378
Cash and cash equivalents					
– Not yet past due	341,600	–	–	–	341,600
Time deposits	514,273	–	–	–	514,273
Total	866,251	–	–	89,794	956,045

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2024

	On demand or within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	34,538	–	–	34,538
Financial liabilities included in other payables and accruals	58,521	6,481	–	65,002
Interest-bearing bank borrowings	33,674	112,718	37,387	183,779
Lease liabilities	10,786	28,018	3,496	42,300
Redemption liabilities on equity shares	3,094,254	–	–	3,094,254
Total	3,231,773	147,217	40,883	3,419,873

31 December 2025

	On demand or within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	38,703	–	–	38,703
Financial liabilities included in other payables and accruals	50,823	–	–	50,823
Interest-bearing bank borrowings	27,029	107,481	26,689	161,199
Lease liabilities	9,976	21,545	–	31,521
Redemption liabilities on equity shares	3,424,250	–	–	3,424,250
Total	3,550,781	129,026	26,689	3,706,496

30 June 2026

	On demand or within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	54,830	–	–	54,830
Financial liabilities included in other payables and accruals	47,157	–	–	47,157
Interest-bearing bank borrowings	35,327	92,837	32,367	160,531
Lease liabilities	11,390	15,770	–	27,160
Redemption liabilities on equity shares	3,804,080	–	–	3,804,080
Total	3,952,784	108,607	32,367	4,093,758

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

39. EVENTS AFTER THE RELEVANT PERIODS

The Group had no significant events subsequent to 30 June 2026.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out below to illustrate the effect of the (i) Global Offering and (ii) removal of special rights over the Company's equity shares upon the Listing on the consolidated net tangible liabilities of the Group attributable to owners of the Company as of 30 June 2026 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as of 30 June 2026 or any future date.

	Consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2026	Estimated net proceeds from the Global Offering	Estimated impact to the consolidated net tangible liabilities upon removal of special rights over the Company's equity shares	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 June 2026	
	RMB'000 *Note 1*	*RMB'000* *Note 2*	*RMB'000* *Note 3*	*RMB'000*	*RMB* *Note 4*	*HKD* *Note 5*
Based on an Offer Price of HK$52 per H Share	(2,304,994)	270,624	3,334,901	1,300,531	19.82	23.13
Based on an Offer Price of HK$68 per H Share	(2,304,994)	356,992	3,334,901	1,386,899	21.14	24.66

Notes:

(1) The consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2026 are arrived at after deducting intangible assets of RMB14,705,000 (excluding non-controlling interests portion amounting to RMB545,000) of the Group as at 30 June 2026 from the consolidated net liabilities of the Group attributable to owners of the Company of RMB2,290,289,000 as at 30 June 2026, as shown in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are calculated based on the offer price of HK$52 per H Share or HK$68 per H Share, being the low-end price and high-end price, after deduction of the underwriting fees and related expenses payable by the Company (excluding the listing expense that were charged to profit or loss during the Track Record Period) and do not take into account any Shares that may be issued upon exercise of the Over-allotment Option.

(3) The special rights over the Company's equity shares will be ceased upon completion of the Global Offering. Accordingly, the redemption liabilities on equity shares of the company amounting to RMB3,334,901,000 will be derecognised and reclassified the amount from liabilities to equity and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2026 increased by RMB3,334,901,000, being the fair value of the redemption liabilities on equity shares as at 30 June 2026.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after the adjustments referred note 2 and note 3 above and on the basis of 65,609,614 Shares in issue, assuming that the derecognition of redemption liabilities on equity shares and the Global Offering has been completed on 30 June 2026, without taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option.

(5) For the purpose of the unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company per Share, RMB amounts have been translated into Hong Kong dollars at an exchange rate of RMB0.8571 to HK$1.00. No representation is made that the RMB amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate.

(6) No adjustment has been made to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions entered into by the Group subsequent to 30 June 2026.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.



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B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Beijing Sinotau International Pharmaceutical Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beijing Sinotau International Pharmaceutical Technology Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 June 2026, and related notes as set out on pages II-1 to II-2 of the prospectus dated 16 November 2026 (the "**Prospectus**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-2 of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2026 as if the transaction had taken place at 30 June 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2026, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

16 November 2026

TAXATION OF SECURITY HOLDERS

The income tax and capital gains tax of holders of H Shares are subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain tax provisions is based on current laws and practices and does not consider any expected changes to or amendments of relevant laws and policies, and does not constitute any advice or recommendation. The discussion does not cover all of the tax consequences of investing in H Shares, nor does it consider the particular circumstances of any individual investor, some of which may be subject to special rules. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The relevant discussions are based on the laws and related interpretations in effect as of the Latest Practicable Date, and such laws and related interpretations are subject to change, which may have retroactive effects.

The following discussion does not address any Chinese issues other than income tax, value-added tax, stamp duty and estate duty. Potential investors are advised to consult their financial advisers regarding the PRC tax consequences of owning and disposing of the H Shares.

The PRC Taxation

Tax on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the People's Republic of China, which was most recently amended on August 31, 2018 and came into effect on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China, which was most recently amended on December 18, 2018 and came into effect on January 1, 2019 (hereinafter collectively referred to as the "**IIT Law**"), dividends and bonuses derived by PRC resident individuals from PRC enterprises are subject to individual income tax at a flat rate of 20%. For non-PRC resident foreign individuals, if they receive dividends from a PRC enterprise, they are generally subject to an individual income tax of 20% unless they are granted specific exemption by the tax authority of the State Council or reductions or exemptions under relevant tax treaties.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**") signed on August 21, 2006 and effective on December 8, 2006, the PRC government may impose tax on dividends paid by PRC companies to residents of the Hong Kong Special Administrative Region (including natural persons and legal entities), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and meets other conditions, the relevant tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Fifth Protocol**"), signed on July 19, 2019 and effective on December 6, 2019, stipulates that arrangements or transactions made primarily for the purpose of obtaining the above-mentioned tax benefits are not subject to the above provisions.

Enterprise Investors

According to the Enterprise Income Tax Law of the PRC, which was latest amended and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was latest amended on December 6, 2024 and implemented on January 20, 2025 (collectively referred to as the "**Enterprise Income Tax Law**"), if a non-resident enterprise has no office or premises within China, or if it has established an office or premises but the income derived from within China has no actual connection with such office or premises, it shall generally pay an enterprise income

tax at the rate of 10% on its income derived from within China (including dividends and bonus income obtained from resident enterprises in the PRC). The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding taxes may be reduced or exempted pursuant to applicable treaties on the avoidance of double taxation.

The Notice of the Issues Concerning Withholding EIT on the Dividends Distributed by PRC Resident Enterprises to Overseas H-share Non-PRC Resident Enterprise Shareholders, which was issued and implemented by the State Administration of Taxation on November 6, 2008, further clarified that, when PRC resident enterprises distribute dividends for the year 2008 and thereafter to overseas H-share non-resident enterprise shareholders, the enterprise income tax shall be withheld at a rate of 10%. For non-resident enterprise shareholders who need to enjoy the treatment under tax treaties, the relevant provisions of tax treaties shall apply.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by PRC companies to Hong Kong residents (including natural persons and legal entities), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, and such Hong Kong resident is the beneficial owner of the dividends and meets other requirements, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol stipulates that the above provisions do not apply to arrangements or transactions whose principal goals are to obtain the above tax benefits. The application of the dividend clause of the tax treaty shall comply with the provisions of Chinese tax laws and regulations such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements.

Tax Treaties

Non-PRC resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC Enterprise Income Tax imposed on the dividends received from PRC companies. The PRC currently has entered into the Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States, etc.

Taxation on Share Transfer

VAT and Local Additional Tax

According to the "Notice on Comprehensively Expanding the Pilot Program of Levying Value-added Tax in Place of Business Tax" (the "**Circular 36**"), implemented on May 1, 2016, and partially revised on January 1, 2018 and April 1, 2019, institutions and individuals that sell services, intangible assets or real estate within China are VAT taxpayers, and "selling services, intangible assets or real estate within China" includes the seller or buyer of services (except for leasing real estate) or intangible assets (except for the right to use natural resources) being within China, the real estate being sold or leased being within China, the natural resources being sold being the right to use natural resources being within China, or others as stipulated by the Ministry of Finance and the State Administration of Taxation. Circular 36 stipulates that for general taxpayers, the transfer of financial products (including the transfer of ownership of negotiable securities) is subject to VAT at 6% on the taxable income (i.e., the balance of the sales price upon deduction of the purchase price). However, according to the "Provisions on the Pilot Policies for the Transition from Business Tax to Value-added Tax," which was released on March 23, 2016, implemented on May 1, 2016, and partially revised on January 1, 2018, individuals engaged in the transfer of financial products are exempted from value-added tax. According to the above regulations, if the shareholder is a non-resident individual, the sale or disposal of H shares will be exempted from VAT.

VAT payers are also required to pay urban construction and maintenance tax, education surcharge and local education surcharge.

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to an individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares issued on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of listed enterprises continues to be exempted from individual income tax. According to the public announcement of the Ministry of Finance and the State Administration of Taxation on the Catalogue of Individual Income Tax Policies that will Remain in Effect, which was released and implemented on December 29, 2018, the Notice on the Continued Temporary Exemption of Individual Income Tax on the Income from the Transfer of Share Certificates will remain in effect.

According to the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Moratorium Shares of Listed Companies jointly issued and implemented by the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on December 31, 2009, individuals' income from the transfer of listed shares obtained from the public offering and transfer markets on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations jointly issued and implemented by the aforementioned departments on November 10, 2010.

As of the Latest Practicable Date, the aforesaid provisions had not expressly provided for the arrangement of levying individual income tax on non-Chinese resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

According to the Enterprise Income Tax Law, a non-resident enterprise is generally required to pay a 10% enterprise income tax on income sourced from inside the PRC (including dividends received from PRC resident enterprises) if it does not have an establishment or premise in the PRC, or if it has an establishment or premise in the PRC but its income sourced from inside the PRC has no actual connection with such establishment or premise. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer being the withholding agent. Such withholding taxes may be reduced or waived under applicable treaties for the avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the People's Republic of China, which was promulgated on June 10, 2021 and came into effect on July 1, 2022, Stamp Duty is applicable to the institutions and individuals that conclude taxable evidence or conduct securities transactions within the territory of the PRC, and the institutions and individuals outside the PRC that conclude taxable evidence that are used inside the PRC. Therefore, the above provisions on stamp duty do not apply to institutions and individuals that are created abroad and traded on overseas stock exchanges.

Estate duty

As of the Latest Practicable Date, no estate duty has been levied in the PRC under the PRC laws.

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China promulgated by the State Council on March 16, 2007, last amended on December 29, 2018, and effective on the same day, and the Implementing Regulations of the Enterprise Income Tax Law of the PRC promulgated by the State Council on December 6, 2007, last amended on December 6, 2024, and implemented from January 20, 2025, enterprises (including foreign-invested enterprises) in China are subject to a uniform enterprise income tax rate of 25%. However, high-tech enterprises that require key support from the state are subject to a reduced enterprise income tax rate of 15%, and small and micro enterprises that meet the conditions are subject to a reduced enterprise income tax rate of 20%.

VAT

According to the Provisional Regulations of the People's Republic of China on Value-added Tax, last revised on November 19, 2017 and implemented on the same day, and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-added Tax, last revised on October 28, 2011 and effective November 1, 2011, all taxpayers who sell goods or provide processing, repair and assembly services, sales services, intangible assets, real estate, and imported goods within the territory of China are required to pay value-added tax. Unless otherwise specified, the tax rate for taxpayers selling goods, providing services, leasing tangible movable property or importing goods is 17%. The sales of transportation, postal, basic telecommunications, construction, real estate leasing services, the sale of real estate, the transfer of land use rights, or the sale or import of the following goods are taxed at a rate of 11%. Exports of goods and services are exempt from VAT.

According to the Notice on Adjusting VAT Rates promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, and implemented on May 1, 2018, for taxpayers engaging in VAT taxable sales or import of goods, the previously applicable tax rates of 17% and 11% are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening the VAT Reform that was promulgated by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for taxpayers engaging in VAT taxable sales or import of goods, the VAT rates are adjusted to 13% and 9%, respectively.

Foreign Exchange Management in China

Renminbi is the legal tender of China, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange of the People's Republic of China ("**SAFE**"), as authorized by the People's Bank of China, has the power to regulate all matters related to foreign exchange, including the implementation of foreign exchange control regulations.

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (the "**Foreign Exchange Administration Regulations**"), which was promulgated and implemented by the State Council on August 5, 2008, current accounts shall be subject to reasonable review by financial institutions engaged in foreign exchange settlement and sales business with respect to the authenticity of transaction documents and their consistency with foreign exchange receipts and payments, as well as supervision and inspection by foreign exchange administrative authorities. For capital accounts, overseas institutions and overseas individuals making direct investments in China shall, upon admission by the relevant competent authorities, go through the registration procedures with the foreign exchange control authority. Foreign exchange income obtained from abroad may be remitted back to the country or kept abroad. Foreign exchange for capital accounts and funds for settlement of foreign exchange shall be used in accordance with the usage approved by the relevant competent authorities and foreign exchange control authorities.

According to the Foreign Exchange Administration Regulations, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current account transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at designated foreign exchange banks, on the strength of valid receipts and proof. According to the Circular on Further Improving Reform of Foreign Exchange Administration and Optimising Genuineness and Compliance Verification, which was promulgated and implemented by the SAFE on January 26, 2017, if a foreign-invested enterprise needs foreign exchange for profit distributions to its shareholders, and a PRC enterprise (such as the Company) needs to make payments of dividends to its shareholders in foreign exchange according to relevant regulations, it may, based on the resolution of its Board of Directors or shareholders' meeting on profit distributions, make the payment from its foreign exchange account with a designated foreign exchange bank, or exchange and pay at a designated foreign exchange bank.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters issued and implemented by the State Council on October 23, 2014, the approval by the SAFE and its branches for the repatriation and settlement of foreign exchange of overseas-raised funds under overseas listed foreign shares was cancelled.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing issued and implemented by the SAFE on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of the State Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the use disclosed in its prospectus and other disclosure documents.

According to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, which was promulgated and implemented by the SAFE on June 9, 2016 and amended on December 4, 2023, foreign exchange receipts under the capital account for which discretionary settlement has been expressly implemented (including proceeds raised through overseas listings and repatriated to China) may be settled at banks according to the actual business needs of domestic institutions.

This Appendix contains a summary of certain aspects of PRC laws and regulations related to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III – Taxation and Foreign Exchange". The principal objective of this summary is to provide potential investors with an overview of the principal Chinese laws and regulations applicable to the Company. This summary does not contain all the information that may be important to potential investors. For more details on the laws and regulations relevant to our business, please refer to the section headed "Regulatory Overview" in this prospectus.

PRC LEGAL SYSTEM

China's legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (2023 Amendment) (the "**Legislation Law**"), the National People's Congress (the "**NPC**") and the Standing Committee of the National People's Congress (the "**SCNPC**") are empowered to exercise the national legislative power. The NPC has the power to formulate and amend basic laws concerning civil affairs, criminal affairs, state bodies and other affairs. The SCNPC is empowered to formulate and amend laws other than those enacted by the NPC and to supplement and amend any part of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the Chinese administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, the PBOC, the National Audit Office, and other subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within their authority based on the laws, administrative regulations, and the decisions and orders of the State Council.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, ecological civilization construction, historical and cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations, and local regulations of the relevant provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Local regulations of cities divided into districts must be reported to the standing committee of the people's congress of the province or autonomous region for approval before implementation. The people's congresses of ethnic autonomous regions have the power to formulate autonomous regulations and individual regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

The people's governments of the provinces, autonomous regions, municipalities directly under the central government, and the cities divided into districts or autonomous prefectures may enact rules and regulations in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities directly under the central government.

The Constitution has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations, or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts or autonomous prefectures within the administrative regions of the provinces and autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the provinces, autonomous regions or municipalities directly under the central government, but contravene the Constitution or the Legislation Law. The State Council has the power to alter or rescind inappropriate departmental rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their standing committees. The standing committees of the local people's congresses have the right to rescind any inappropriate regulations formulated by the people's governments at the corresponding level. The people's governments of provinces or autonomous regions have the power to change or rescind any inappropriate regulations enacted by lower-level people's governments. The authorizing authority has the right to revoke any regulations issued by the authorized body that exceed the scope of the authorization or contravene its goals, and may revoke the authorization if necessary.

According to the Constitution and the Legislation Law, the Standing Committee of the National People's Congress has the power to interpret the law. The legal interpretations of the Standing Committee of the National People's Congress have the same effect as the law itself.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Court of the PRC (2018 Revision), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts. The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts.

The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels. The people's procuratorates also have the right to exercise legal supervision over the judicial activities of people's courts of the same level and lower levels.

The Civil Procedure Law of the PRC (the "**Civil Procedure Law**"), promulgated in 1991 and amended in 2007, 2012, 2017, 2021, and 2023, sets forth the criteria for instituting civil actions, the jurisdiction of the people's courts, the proceedings to be followed for conducting civil actions, and the standards for procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law.

A foreign citizen or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If foreign judicial systems restrict the litigation rights of Chinese citizens and enterprises, the PRC courts may apply reciprocal restrictions to the citizens and enterprises of that country within China.

If any party to a civil action refuses to comply with a judgment or ruling made by the People's Court of the Mainland or an award made by an arbitration panel, the other party may apply to the people's court for enforcement, with the application period of two years. If any person fails to comply with a judgment made by the court within the stipulated time, the court may, upon application by the other party, enforce the judgment in accordance with the law.

If a party seeks to enforce a judgment or ruling of the people's court, and the person or property to be enforced is not within the territory of China, the party may apply to foreign courts with jurisdiction over the case for recognition and enforcement of the judgment or ruling. If China has concluded an international treaty with the relevant foreign country, or has ratified an international treaty that includes rules on the recognition and enforcement of judgments, or if the courts have verified that the judgments and rulings comply with the principle of reciprocity, then foreign judgments or rulings may also be recognized and enforced by the people's courts in accordance with Chinese enforcement proceedings, unless the people's court believes that recognizing or enforcing the judgment or ruling would violate the basic principles of Chinese law, national sovereignty or security, or social public interest.

PRC Company Law and Overseas Listing Trial Measures

A joint stock limited company incorporated in the PRC and seeking a listing on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") is mainly subject to the following PRC laws and regulations:

The Company Law of the People's Republic of China (the "**Company Law**"), the latest revised version of which came into effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "**Overseas Listing Trial Measures**") and five related Guidelines promulgated on February 17, 2023 by the China Securities Regulatory Commission (the "**CSRC**") in accordance with the Securities Law of the People's Republic of China (the "**Securities Law**"), which apply to the direct and indirect overseas offering of shares or listing by domestic companies.

Set out below is a summary of the main provisions of the Company Law and the Overseas Listing Trial Measures currently in force and applicable to our Company.

General

A joint stock limited company refers to a corporate legal person incorporated under the Company Law with its registered capital divided into shares. All shares of the company shall be either shares with a par value or shares without a par value, as stipulated in the Articles of Association. If shares with a par value are issued, each share has an equal value. Shareholders of a joint stock company are liable to the company to the extent of the shares they have subscribed, and the company is liable for its debts to the full extent of its assets.

Incorporation

A joint stock limited company may be incorporated by sponsorship or by offering. A joint stock limited company shall have a minimum of one but no more than 200 people as its sponsors, and over half of the sponsors must be resident within the People's Republic of China. The registered capital of a joint stock limited company is the total amount of issued share capital registered with the company registration authorities. No share offering shall be made before the shares subscribed for by the sponsors are fully paid in. If laws, administrative regulations and State Council decisions provide otherwise on the minimum registered capital of a joint stock limited company, such provisions shall prevail.

For a joint stock limited company established by sponsorship, the sponsors shall subscribe for all the shares required to be issued at the time of the company's establishment as stipulated in the Articles of Association, and pay in their capital contributions in accordance with the Articles of Association. In the case of capital contributions made in non-monetary assets, the formalities for transfer of proprietorship shall be completed in accordance with the provisions of the law.

Where a joint stock limited company is established by way of share offering, the shares subscribed for by the sponsors shall not be less than 35% of the total number of shares to be issued at the time of the company's incorporation as stipulated in the Articles of Association. However, if otherwise provided by laws or administrative regulations, such provisions shall prevail. The sponsors shall convene the incorporation meeting within 30 days from the date of the full payment of share capital. The Board of Directors shall authorize a representative to apply to the company registration authorities for the registration of establishment within 30 days after the conclusion of the incorporation meeting. The company is formally established and has the status as a legal person after completion of regulatory registration by the relevant regulatory authorities and issuance of business licenses.

Share Capital

The sponsors may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights, land use rights, share interests, creditors' rights, which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. Non-monetary assets contributed as capital shall be valued and verified, and shall not be overvalued or undervalued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

Any issuance of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price.

According to the Overseas Listing Trial Measures, domestic companies issuing and listing overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

According to the Company Law, when a company issues registered shares, it shall maintain a register of shareholders which records the following matters:

- The names and domiciles of the shareholders;
- The class and number of shares subscribed by each shareholder;
- The serial numbers of shares if the shares are issued in paper form; and
- The date on which each shareholder acquired the shares.

Increase in Share Capital

A company may increase its share capital in accordance with any of the following methodologies, subject to the adoption of a resolution at a general meeting: (i) public offering of shares; (ii) private placement of shares; (iii) distribution of bonus shares to existing Shareholders; (iv) conversion of reserves into shares; (v) any other means approved by laws, administrative regulations and the CSRC.

According to the Company Law, a company may issue the following classes of shares with rights different from those of ordinary shares, as stipulated in the Articles of Association: (i) shares with preferential or subordinated rights to the distribution of profits or of residual assets; (ii) shares that have more or fewer voting rights per share than the ordinary share(s); (iii) shares that are subject to restrictions on transfer such as those that require the company to agree to the transfer; and (iv) other classes of shares as stipulated by the State Council. A company that issues shares publicly may not issue the classes of shares specified in subparagraphs (ii) and (iii), except for those that have been issued before the public offering. If the company issues new shares, the General Meeting of Shareholders shall, in accordance with the Articles of Association, resolve the class and amount of the new shares, the issuing price of the new shares, the starting and ending dates of the new share issue, the class and amount of the new shares to be issued to the original shareholders, and where shares without a par value are issued, the amount of the capital contribution from the issue of new shares to be credited to the registered capital.

To issue shares overseas, the domestic company shall submit the application documents for issuance and listing to the CSRC for filing within three working days after submission of the application documents for issuance and listing overseas.

Reduction of Share Capital

The company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- The company shall prepare a balance sheet and a property list;
- The reduction of registered capital shall be approved by the General Meeting of Shareholders;
- The company shall notify its creditors within 10 days from the date on which the resolution of reducing its registered capital was adopted by the General Meeting of Shareholders, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days;
- Creditors may within 30 days after receiving the notice, or within 45 days of the announcement if no notice has been received, require the company to repay its debts or provide relevant guarantees;
- The company shall apply to the relevant registration authority for the registration of the reduction in registered capital.

Redemption of Shares

According to the Company Law, a joint-stock limited company may not acquire its own shares, except for one of the following circumstances: (i) reduce its registered capital; (ii) merge with other companies that hold its shares; (iii) use shares for employee stock ownership plans or equity incentives; (iv) a shareholder requests the Company to purchase the shares held by him since he objects to a resolution of the General Meeting of Shareholders on the merger of the Company or decision of split; (v) use shares for conversion of convertible corporate bonds issued by the Company; and (vi) necessary to maintain the corporate value and protect the shareholder's interests.

The acquisition of its own shares under the circumstances set forth in items (i) and (ii) above shall be subject to a resolution of the General Meeting of Shareholders; and the acquisition of its own shares under the circumstances set forth in items (iii), (v), or (vi) above may, pursuant to the Articles of Association or the authorization of the General Meeting of Shareholders, be subject to the resolutions made at the meetings of the Board at which at least two-thirds of the Directors are present.

Following the acquisition of its own shares in accordance with item (i) above, such shares shall be cancelled within 10 days from the date of buyback; in the case of acquisition of its own shares under item (ii) or (iv) above, the shares shall be transferred or cancelled within six months. The shares bought back under the aforementioned item (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be transferred or cancelled within three years.

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law when acquiring its own shares. If it buys back its own shares in accordance with (iii), (v) or (vi) above, such buyback shall be conducted through a public centralized trading manner.

Transfer of Shares

Shares held by shareholders are transferable in accordance with the relevant laws and regulations. According to the Company Law, the transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Registered shares are transferable by shareholders through endorsement or other methods prescribed by laws and administrative regulations. After the transfer, the company shall record the names or titles and addresses of the transferees in the share register. No changes shall be made to the register of shareholders within 20 days prior to the convening of a General Meeting of Shareholders or within 5 days prior to the base date for the distribution of dividends, unless otherwise stipulated by laws, administrative regulations, or the supervisory authorities under the State Council regarding changes to the register of shareholders of listed companies.

According to the Company Law, shares issued prior to the public offer shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and senior management member shall declare to the company their shareholdings and any changes thereof. During the term of office determined at the time of appointment, the shares transferred each year shall not exceed 25% of the total number of shares they hold in the company. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange. The aforesaid persons shall not assign the Company's shares held by them within six months after they leave office. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the Company held by its directors, supervisors and the senior management.

Shareholders

Under the Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

- The right to attend or appoint a proxy to attend the General Meeting of Shareholders and to vote thereat;
- The right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- The right to inspect the company's Articles of Association, register of shareholders, minutes of the shareholders' meetings, the resolutions made at the meetings of the Board of Directors, the resolutions made at the meetings of the Supervisory Committee and financial accounting reports, and to make proposals or inquiries on the company's operations;
- The right to request the people's court to rescind resolutions passed by the General Meeting of Shareholders and the Board of Directors of the Company if such resolutions violate the Articles of Association;

- To receive dividends and other forms of interest distributions in proportion to their shareholdings;
- In the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them; and
- Other rights provided for in laws, administrative regulations, other regulatory documents and the Articles of Association.

The obligations of the shareholders include the obligation to abide by the company's Articles of Association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of their subscribed shares, and any other shareholders' obligation specified in the company's Articles of Association.

Shareholders' Meetings

The General Meeting of Shareholders is the organ of authority of the Company, which exercises its functions and powers in accordance with the Company Law. Under the Company Law, the General Meeting of Shareholders exercises the following principal functions and powers:

- To elect and replace the directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- To consider and approve the report of the Board of Directors;
- To review and approve the reports of the Supervisory Committee;
- To examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- To decide on any increase or reduction in the company's registered capital;
- To decide on the issue of bonds by the company;
- To decide on merger, division, dissolution, liquidation of the company or change of its corporate form;
- To amend the Articles of Association; and
- Other powers as provided for in the Articles of Association.

A General Meeting of Shareholders is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following circumstances:

- The number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the Articles of Association;
- When the outstanding losses of the Company amount to one-third of the total amount of capital stock;

- When requested by Shareholders individually or collectively holding 10% or more of the Company's shares;
- When deemed necessary by the Board of Directors;
- When the board of supervisors so requests; or
- Other circumstances as provided for in the Articles of Association.

According to the Company Law, a General Meeting of Shareholders shall be convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director jointly nominated by more than half of the directors shall preside over the meeting.

Where the Board of Directors is incapable of performing or is not performing its duties to convene the general meeting, the Supervisory Committee shall convene and preside over General Meeting of Shareholders in a timely manner. If the Supervisory Committee fails to convene and preside over General Meeting of Shareholders, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over General Meeting of Shareholders.

According to the Company Law, a notice of the General Meeting of Shareholders stating the time, location, and matters to be considered at the meeting shall be given to the Shareholders 20 days before the meeting; a notice of an extraordinary general meeting shall be given to the Shareholders 15 days prior to the meeting.

The Company Law does not stipulate a quorum for the General Meeting of Shareholders.

According to the Company Law, shareholders present at the General Meeting of Shareholders have one vote for each share they hold, except for class shareholders. Shares held by the Company are not entitled to any voting rights.

According to the Company Law, resolutions of the General Meeting of Shareholders must be passed by more than half of the voting rights held by shareholders present at the meeting. Resolutions to amend the Articles of Association, increase or reduce registered capital, and resolutions on merger, division, dissolution, or transformation of the Company must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting.

According to the Company Law, minutes shall be prepared in respect of matters considered at the general meeting, and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

The Board of Directors

According to the Company Law, a joint stock company must have a Board of Directors with at least three members. The term of a director shall be stipulated in the Articles of Association, provided that no term of office shall last for more than three years. Upon expiry of the term of office, a director may be re-appointed after being re-elected. If the term of office of a director expires without a timely re-election, or if a director's departure from office results in the number of directors falling below the statutory minimum, the original directors shall continue to perform their duties as directors in accordance with the laws, administrative regulations, and the Articles of Association until the newly elected directors take office.

Under the Company Law, the Board of Directors mainly exercises the following functions and powers:

- To convene general meetings of our Shareholders and report on its work to the general meetings of our Shareholders;
- To implement resolutions of the general meetings;
- To decide on the company's business plans and investment plans;
- To formulate the company's profit distribution schemes and loss make-up schemes;
- To formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- To formulate proposals for the merger, division, dissolution or transformation of the Company;
- To decide on the setup of the company's internal management organs;
- To appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss deputy general manager and chief financial officer of the company and to decide on their remunerations;
- To formulate the company's basic management system; and
- Other functions and powers as stipulated in the Articles of Association or granted by a General Meeting of Shareholders.

Board Meetings

According to the Company Law, the Board of Directors of a company shall convene meetings at least twice each year, and notices of meeting shall be given to all directors and members of the supervisory committee 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing one-tenth or more of the voting rights, one-third or more of the directors or the Supervisory Committee. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

If a resolution of the Board of Directors violates the laws, administrative regulations or the Articles of Association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Chairman of the board

Under the Company Law, the Board of Directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- A person who has no civil capacity or with limited capacity for civil conduct;
- A person who has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, or disrupting the order of economy, or has been deprived of his political rights due to crimes, where less than five years have elapsed since the date of completion of the sentence, and in case of being sentenced to probation, not more than two years have elapsed since the date of expiry of the probation period;
- A person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;
- A person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation or closure occurs; or
- An individual who has a relatively large sum of debts that are overdue, resulting in such person being listed by the People's Court as a dishonest person.

Audit Committee

A joint stock limited company may, under the Articles of Association, set up an Audit Committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Supervisory Committee as provided for in the Company Law. In such a case, the company need not establish a Supervisory Committee or appoint supervisors. The Audit Committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the Audit Committee, each member shall have one vote. The discussion methods and voting procedures of the Audit Committee shall be prescribed in the Articles of Association, unless it is otherwise provided for by the Company Law.

Where a public listed company has an Audit Committee under the Board of Directors, the following matters shall be approved by more than half of all Audit Committee members before being approved by the Board of Directors:

- Appointment or dismissal of the accounting firm responsible for auditing the Company;

- Appoint and dismiss the person responsible for finance;
- Disclosure of financial accounting reports;
- Other matters stipulated by the supervisory authorities under the State Council.

Manager and Senior Management

According to the Company Law, a joint stock limited company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and shall exercise his duties and powers in accordance with the provisions of the Articles of Association or the authorization of the Board of Directors. The manager shall be present at meetings of the Board of Directors. The Board of Directors of the company may decide that a member of the Board of Directors will also serve as the manager.

According to the Company Law, senior management refers to managers, deputy managers, financial officer, secretary of the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

Duties of Directors and Senior Management

According to the Company Law, the Company's directors, supervisors, and senior management are required to comply with laws, administrative regulations and the Articles of Association, and have fiduciary and diligent duties to the Company. Compliance with the foregoing requirements is also required for the Company's controlling shareholders or de facto controllers who do not serve as the Company's directors but actually carry out the Company's affairs.

Directors and senior management are prohibited from:

- Embezzlement of company property or misappropriation of company funds;
- Deposit of company funds into accounts under their own name or the name of other individuals;
- Bribery or acceptance of other illegal income by taking advantage of one's position;
- Accepting for their own benefit commissions from other parties dealing with the company;
- Unauthorized divulgence of confidential information of the company; and
- Other acts in violation of their duty of loyalty to the company.

Directors, Supervisors, and Senior Management who directly or indirectly enter into a contract or conduct a transaction with the Company, shall report to the Board of Directors or the Shareholders' Meeting on matters related to the conclusion of the contract or the transaction, and shall be subject to the resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of this Articles of Association. The preceding provisions shall apply to contracts or transactions entered into by the Company with any of the following: close family members of the Directors, Supervisors, or Senior Management; enterprises directly or indirectly controlled by the Directors, Supervisors, Senior Management, or their close family members; and Associates who have other connections with the Directors, Supervisors, or Senior Management.

The Company's directors, supervisors, and senior management shall not use their positions to seek business opportunities for themselves or others that belong to the Company, except in one of the following circumstances: (i) report to the Board of Directors or the Shareholders' Meeting and be approved by a resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Articles of Association; (ii) the Company cannot take advantage of the business opportunity in accordance with the provisions of the law, administrative regulations, or the Articles of Association.

The Company's directors, supervisors, and senior management may not operate, for themselves or for others, any business that is the same as that of the Company they work for, without reporting to the Board of Directors or the Shareholders' Meeting and obtaining a resolution passed by the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Articles of Association.

Income generated by the directors, supervisors, or senior management in violation of the aforementioned shall be returned to the Company.

A director, supervisor or senior management who contravenes laws and administrative regulations or the Articles of Association in the performance of his/her roles resulting in any damage to the Company shall be liable to indemnify the Company for compensation.

Finance and Accounting

According to the Company Law, a company shall establish its financial and accounting systems in accordance with the laws, administrative regulations, and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

According to the Company Law, the financial and accounting report of a joint stock limited company should be made available at the Company for inspection by shareholders 20 days before the General Meeting of Shareholders. A joint stock limited company that makes public stock offerings shall publish its financial reports.

In distributing the current year's profit after tax, 10% of the profit shall be distributed to the Company's statutory common reserve fund. When the aggregate amount of the statutory common reserve fund of the Company has reached 50% or more of the Company's registered capital, further appropriations are not required. If the statutory common reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to recover such losses before extracting the statutory common reserve fund. After the Company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a General Meeting of Shareholders, make further allocations from its profits after taxation to the discretionary reserve fund. After the Company has made up its losses and allocated to its statutory common reserve fund, the remaining profits after tax shall be distributed in proportion to the shares held by the shareholders, except as otherwise provided by the Articles of Association. Profits allocated to shareholders in violation of the regulations are returned to the Company. The Company shall not be entitled to the allocation of profits in respect of the shares held by it.

The premiums from the issuance of shares at a price exceeding the nominal value of the shares, the amount of funds from the issuance of no-par value shares not included in the registered capital, and other items required by the financial departments of the State Council to be included in the capital reserve fund shall be accounted for as the capital reserve fund of the Company. The statutory common reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its capital. Where the reserve fund is used to make up the Company's losses, the discretionary

reserve fund and statutory common reserve fund shall be used first. If the losses still cannot be covered, the capital reserve fund may be used in accordance with the regulations. Upon the transfer of the statutory common reserve fund into registered capital, the retained balance of such reserve fund shall not be less than 25% of the registered capital of the Company before such transfer.

The Company shall have no other accounting books except the statutory accounting books. No account shall be opened in the name of any individual for depositing the Company's funds.

Appointment and Retirement of Accounting Firms

According to the Company Law, the appointment or dismissal of accounting firms responsible for the audits of the Company shall be determined by the General Meeting of Shareholders, Board of Directors or the Supervisory Committee in accordance with the provisions of the Articles of Association. The accounting firm shall be allowed to make representations when the General Meeting of Shareholders, Board of Directors or Supervisory Committee of the Company conducts a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting data to the engaged accounting firm without any refusal, withholding, or falsification.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are made up and the statutory common reserve fund is drawn.

Amendments to Articles of Association

Pursuant to the Company Law, the resolution of a General Meeting of Shareholders regarding any amendment to the Articles of Association requires affirmative votes by at least two-thirds of the votes held by the Shareholders attending the meeting.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved under any of the following circumstances: (i) the expiration of the term of operation as stipulated in the Articles of Association or the occurrence of other events of dissolution as stipulated in the Articles of Association; (ii) the shareholders have resolved at a General Meeting of Shareholders to dissolve the company; (iii) the company is dissolved by reason of its merger or division; (iv) the business license is revoked, the company is ordered to close down, or is rescinded in accordance with the laws; or (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent 10% or more of the voting rights of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other pathways, rendering ongoing existence of the company a cause for material loss to the shareholders.

In the event that a company has in dissolution, the events of dissolution shall be made public through the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraph (i) or (ii) above, the Company may carry on its existence by amending its Articles of Association or upon resolutions of the general meeting under the condition that the Company has not distributed the assets to the Shareholders. Amendments to the Articles of Association or by resolutions of the general meeting shall require approval of at least two thirds of the voting rights of the Shareholders attending the General Meeting of Shareholders.

If a company is dissolved in the circumstances described in items (i), (ii), (iv) or (v) above, it shall be liquidated. The Company's directors shall be its liquidation obligors and shall establish a liquidation group within fifteen days after the cause of dissolution arises to carry out the liquidation. The liquidation group shall be composed of directors, unless the Articles of Association provide otherwise or the General Meeting of Shareholders resolves to elect someone else. If a liquidation group is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation group, the interested parties may apply with the people's court for setting up a liquidation group with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- To liquidate the Company's assets and to prepare the balance sheets and inventory of assets, respectively;
- To inform creditors by notice or announcement;
- To dispose of and liquidate the Company's outstanding operation;
- To pay any tax overdue as well as tax amounts arising from the process of liquidation;
- To settle claims and liabilities;
- To distribute the Company's remaining assets after its debts have been paid off; and
- To represent the Company in civil lawsuits.

The liquidation group shall notify creditors within 10 days from the date of its establishment and issue an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days of receipt of the notification or within 45 days of the date of the announcement if he did not received any notification.

Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documentation thereon. The liquidation group should register the creditors' rights. The liquidation group shall not settle the debts to creditors during the creditor's claim period.

Upon liquidation of the Company's property and preparation of the balance sheets and inventory of assets, the liquidation group shall draw up a liquidation plan and submit this plan to the shareholders' general meeting or a people's court for approval. After the payment of liquidation expenses, employees' wages, social insurance premiums expenses and statutory compensation, outstanding taxes, and the debts owed by the Company, the remaining assets of the Company shall be distributed to the shareholders in proportion to their shareholding.

The Company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The Company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the Company's property and preparation of the balance sheets and inventory of assets, if the liquidation group becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a bankruptcy liquidation in accordance with the laws. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to the shareholders' general meeting or the people's court for verification, and shall be submitted to the registration authority of the company in order to apply for deregistration.

When performing the duties in relation to the liquidation, members of the liquidation group shall bear the duties of loyalty and diligence. Members of the liquidation group who are negligent in performing their liquidation duties and cause losses to the Company shall be liable for compensation. Those who cause losses to creditors due to intentional acts or gross negligence shall be liable for compensation.

Liquidation of a company declared bankrupt according to law shall be carried out in accordance with the laws on corporate bankruptcy.

Overseas Listing

1. CSRC record-filing requirements for overseas issuance and listing

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") promulgated the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies" and five supporting guidelines (collectively, the "**Overseas Listing Trial Measures**"), which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the current regulatory system for the overseas issuance and listing of securities by Chinese domestic enterprises, and adopted a filing-based regulatory system to regulate the direct and indirect overseas issuance and listing of securities by Chinese domestic enterprises.

According to the Overseas Listing Trial Measures, domestic enterprises directly issuing and listing securities overseas shall file with the CSRC in accordance with the provisions of the Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately, and completely explain shareholder information and other circumstances. Domestic enterprises that submit an application for initial public offering and listing to overseas securities regulatory authorities shall file with the CSRC within 3 working days after submitting the application documents.

2. Regulations relating to Full Circulation

"Full circulation" refers to the listing and circulation of unlisted domestic shares of H-share companies (including unlisted domestic shares held by domestic shareholders prior to the overseas listing, unlisted domestic shares issued in China after the overseas listing and unlisted shares held by foreign shareholders) on The Stock Exchange of Hong Kong Limited.

On November 14, 2019, the CSRC issued the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H Share Companies (CSRC Announcement [2019] No. 22), and on August 10, 2023, it made the latest amendments to it and issued the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-Share Companies (Revision 2023) (the "**Full Circulation Guidelines**").

According to the Full Circulation Guidelines, subject to relevant laws and regulations, state-owned assets management, foreign investment and industry regulation policies, shareholders of domestic unlisted shares may independently negotiate to determine the number and proportion of shares applied for circulation, and entrust H-share companies to file with the CSRC.

On December 31, 2019, the CSDC and Shenzhen Stock Exchange jointly issued the Implementation Measures for H-share "Full Circulation" Business, which applied to the cross-border re-registration, custody, maintenance of holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominee holders and other services in relation to H-share "full circulation" business.

On February 7, 2020, the China Securities Depository and Clearing (Hong Kong) Company Limited (the "**CSDC Hong Kong**") issued the Guide of China Securities Depository and Clearing (Hong Kong) Company Limited to the Program for Full Circulation of H-shares, which specified the custody, depository, nominee services, settlement arrangement and other relevant business by the CSDC Hong Kong. The guide was modified and updated on September 20, 2024, with the updated version coming into effect on September 23, 2024.

On February 7, 2020, the CSDC released the Guide to the Program for Full Circulation of H-shares, detailing business preparations, account arrangements, cross-border re-registrations, overseas centralized custody, and other services. On September 20, 2024, China Securities Depository and Clearing Corporation Shenzhen Branch released the H Shares "Full Circulation" Business Guide of China Securities Depository and Clearing Corporation Limited Shenzhen Branch, which superseded the H Shares "Full Circulation" Business Guide issued by the CSDC.

3. CSRC regulations on confidentiality and file management for overseas issuance and listing

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration of China jointly issued the modified Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the "**Provisions on Archives Administration**"), which came into effect on March 31, 2023. The Provisions on Archives Administration shall apply to joint stock limited companies incorporated in China with direct overseas issuance and listing, and domestic operating entities of subjects with indirect overseas issuance and listing (collectively referred to as "**the domestic enterprises**").

According to the Provisions on Archives Administration, domestic enterprises shall establish and implement a sound confidentiality and archive management system. If a domestic enterprise decides to disclose documents or materials involving state secrets, state organs' work secrets, or other documents and materials that will adversely affect national security or public interests if leaked, it shall apply for approval to the competent department with approval authority according to the laws, and report to the confidentiality administrative department at the same level for the record.

Merger and Demerger

A merger of companies may take the form of merger by absorption or establishment of a new company. If the company adopts a merger by absorption, the company which is absorbed shall be dissolved. If the company takes the form of incorporation, the merging parties are dissolved.

When companies merge, a merger agreement shall be signed by the merging parties, and the merging parties shall prepare balance sheets and inventories of assets. The company shall notify creditors within 10 days from the date of making the decision of merger, and publicly announce it in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within thirty days upon the receipt of the notice or within forty-five days upon the issuance of the announcement if they fail to receive a notice, require the company to settle its debts or to provide corresponding guarantees. In the case of a merger, the credits and debts of the companies involved shall be succeeded by the company that survives the merger or by the newly established company.

Where a company merges with a company in which it holds 90% or more of the shares, the company merged is not required to obtain a resolution of the General Meeting of Shareholders, but shall give notice to the other shareholders, who shall have the right to request the company to acquire their equity interests or shares at a reasonable price. The payment of a price by a company for a merger that does not exceed 10% of the company's net assets may be exempt from a resolution of the General Meeting of Shareholders, unless otherwise provided in the Articles of Association. Where a merger is to be effected in accordance with the preceding two paragraphs without a resolution of the General Meeting of Shareholders, it shall be subject to a resolution of the Board of Directors.

As for the division of a company, its assets shall be divided accordingly, and balance sheets and asset inventories shall be prepared. If the resolution on the division of a company is passed, the company must, within ten days of the date of passing such resolution, give notice to all of its creditors and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. Unless the company has reached a written agreement with its creditors on the discharge of debts prior to the division, the companies after the division of a company shall be jointly and severally liable for the debts of the company prior to the division.

The PRC Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council issued and implemented the Interim Provisional Regulations on the Administration of Share Issuance and Trading. The regulations involve the application and approval procedures for public offerings of equity securities, the transaction of shares, takeovers by listed companies, liquidation and transfer, information disclosure by listed companies, investigations and penalties, and arbitration of disputes.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). The provisions mainly involve the issuance, subscription, trading, declaration of dividends and other distributions of domestic listed foreign shares, and the information disclosure of joint stock limited companies with domestic listed foreign shares.

The SCNPC promulgated the Securities Law on December 29, 1998, which took effect on July 1, 1999, and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. The Securities Law is the first national securities law in China, regulating the issue and trading of securities, acquisitions by listed companies, securities exchanges, securities companies, and the obligations and responsibilities of the supervisory authorities under the State Council. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of The Securities Law stipulates that domestic companies, when directly or indirectly issuing securities overseas or listing their securities for trading overseas, shall comply with the relevant provisions of the State Council.

Issued and implemented by the CSRC on November 14, 2019, and revised on August 10, 2023, the "Guidelines for the 'Full Circulation' Program for Domestic Unlisted Shares of H-share Listed Companies" aims to regulate the listing and circulation of unlisted shares of domestic joint stock limited companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued additionally in the domestic market after overseas listing, and unlisted shares held by foreign shareholders) (hereinafter referred to as "**Full Circulation**"). Domestic joint stock companies that have not yet been listed may file a record of "Full Circulation" with the CSRC when they conduct an initial public offering and listing overseas.

INTELLECTUAL PROPERTY

1. Patents

According to the provisions of the Patent Law of the People's Republic of China (the "**Patent Law**"), promulgated by the Standing Committee of the National People's Congress on March 12, 1984, amended on October 17, 2020, and implemented as of June 1, 2021, patents are divided into invention patents, utility model patents, and design patents. The protection period is 20 years for an invention patent, 10 years for a utility model patent and 15 years for a design patent, commencing from their respective application dates. The Patent Law adopts the "first-to-file" principle, which means that if two or more applicants file separate applications for the same invention, the patent right shall be granted to the applicant who files the application first.

According to the Patent Law, during the review and approval of marketing authorization of a drug, if the applicant of drug marketing authorization and the patentee or interested party have a dispute regarding patent rights of the drug under application, the relevant parties may file a lawsuit with the people's court and request a judgment on whether the relevant technical solution of the drug under application falls within the scope of protection of the relevant patent rights. The Drug Regulatory Authority under the State Council may make a decision on whether to suspend the drug marketing authorization according to effective judgment of the people's court within specified period. The applicant of drug marketing authorization and the patentee or interested party may also request an administrative ruling from the patent administration department of the State Council regarding patent right disputes related to the drug under application for registration. The drug regulatory authority under the State Council, in conjunction with the patent administration department under the State Council, shall formulate specific measures for the convergence of drug marketing approval and resolution of patent disputes during the drug marketing application stage, and implement them after they have been approved by the State Council.

2. Trademark

Pursuant to the Trademark Law of the People's Republic of China promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulations of the Trademark Law of the People's Republic of China issued by the State Council on August 3, 2002, last revised on April 29, 2014 and effective from May 1, 2014, the validity period of registered trademarks is 10 years, commencing from the date of approval of registration.

3. Copyright

Copyright is protected by the Copyright Law of the People's Republic of China promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020, and effective from June 1, 2021, and the Implementation Regulations of the Copyright Law of the People's Republic of China issued by the State Council on May 1, 1991, last amended on January 30, 2013, and effective from March 1, 2013, which provide provisions on the classification of works, the obtaining and protection of copyright, and the related rights.

4. Domain Name

Domain names are protected by the Measures for the Administration of Internet Domain Names issued by the Ministry of Industry and Information Technology (the "**MIIT**") on August 24, 2017 and effective from November 1, 2017 and the Implementing Rules on Registration of China Country Code Top-level Domain Names issued by China Internet Network Information Center on June 18, 2019 and effective therefrom.

5. Trade Secret

According to the Anti-Unfair Competition Law of the People's Republic of China (the "**Anti-Unfair Competition Law**") promulgated by the SCNPC on September 2, 1993 and amended on April 23, 2019, and the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Trade Secret Infringement issued by the Supreme People's Court on September 10, 2020 and effective from September 12, 2020, the term "trade secrets" refers to technical, operational and other business information that is unknown to the public, has commercial value, and is maintained as a secret with relevant security measures taken by its right holders.

According to the Anti-Unfair Competition Law, business operators are prohibited from infringing on others' trade secrets.

INFORMATION SECURITY AND PRIVACY PROTECTION

1. Network security

According to the Cybersecurity Law of the People's Republic of China (the "**Cybersecurity Law**") promulgated by the SCNPC on November 7, 2016 and effective on June 1, 2017, network operators shall abide by the principles of legality, legitimacy and necessity when collecting and using personal information. They shall disclose the rules for collection and use, specify the purpose, methods and scope of collection and use of information, and obtain consent from the persons whose personal information is collected. Network operators shall not disclose, tamper with or damage the personal information they collect, nor provide personal information to others without the consent of the persons whose personal information is collected, except where the information has been processed so that no individual can be identified and it cannot be restored after processing.

2. Data security

According to the Data Security Law of the People's Republic of China (the "**Data Security Law**"), promulgated by the SCNPC on June 10, 2021 and effective as of September 1, 2021, the state has established a tiered protection system for data classification. Data processing activities shall be carried out in accordance with the provisions of laws and regulations. A comprehensive data security management system shall be established, data security education and training shall be organized, and corresponding technical measures and other necessary measures shall be taken to ensure data security. In addition, the Data Security Law provides for national security review procedures for the data processing activities that affect or may affect national security, and imposes export controls on certain data and information.

On December 28, 2021, the CAC and other twelve regulatory authorities jointly amended and promulgated the Measures for Cybersecurity Review, which became effective on February 15, 2022. The Measures for Cybersecurity Review stipulate that the procurement of network products and services by operators of critical information infrastructure, and the conducting of data processing activities by network platform operators that affect or may affect national security, shall be subject to a cybersecurity review; a network platform operator that possesses the personal information of more than one million users must apply to the Cybersecurity Review Office for a cybersecurity review when seeking to list overseas.

On September 30, 2024, the State Council promulgated the Administration Regulations on Cyber Data Security, which came into effect on January 1, 2025. The Administration Regulations on Cyber Data Security reiterate and refine the general provisions for cyber data processing activities, as well as the regulations on personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of network platform service providers.

3. Personal information security

Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others. The Personal Information Protection Law of the People's Republic of China, promulgated by the SCNPC on August 20, 2021 and effective from November 1, 2021, further emphasizes the responsibilities and obligations of personal information processors to protect personal information and provides stricter protection measures for processing sensitive personal information.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Outbound Data Transfers, which became effective on September 1, 2022. It is applicable to the security assessment relating to the outbound transfers of personal information and important data collected and generated inside the PRC under certain circumstances.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC was promulgated by the SCNPC on August 31, 1994, and became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017 and became effective on January l, 2018. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration rules by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. If the parties reach an arbitration agreement and one party files a lawsuit with the people's court without declaring that there is an arbitration agreement, and after the people's court has accepted the case, the other party submits the arbitration agreement before the first hearing, the people's court shall dismiss the case unless the arbitration agreement is invalid. If the other party does not raise an objection before the first court session to the people's court accepting the case, it is deemed to have waived the arbitration agreement, and the people's court shall continue with the trial.

According to the Arbitration Law and the Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration, and the parties shall comply with the award. If one party fails to perform, the other party may apply to the people's court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. The people's court where the application is filed shall enforce it. The people's court may refuse to enforce an arbitral award made by an arbitration commission if the composition of the tribunal or the arbitration proceedings do not comply with the arbitration rules, or if the subject matter of the award does not fall within the scope of the arbitration agreement or the arbitration body does not have the authority to arbitrate.

A party seeking to enforce an arbitral award made by a Chinese arbitration commission against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principle of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC agreed to accede to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") on December 2, 1986, pursuant to a resolution of the SCNPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made by Member States of the New York Convention shall be recognized and enforced by other Member States of the New York Convention, but under certain circumstances (including where the enforcement of the arbitral award conflicts with the public policy of the state to which the application for enforcement is made), Member States of the New York Convention have the right to refuse enforcement. At the time of China's accession to the New York Convention, the SCNPC simultaneously announced: (i) China will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of another contracting state on the basis of reciprocity; (ii) China will only apply the Convention to disputes deemed under Chinese law to arise from contractual and non-contractual commercial legal relationships.

The Supreme People's Court issued the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region on January 24, 2000, which was implemented on February 1, 2000. The Supreme People's Court issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region on November 26, 2020, which was implemented on November 27, 2020, modifying the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region. According to the aforementioned regulations, awards made by Mainland arbitration bodies in accordance with the Arbitration Law may be enforced in Hong Kong, and Hong Kong arbitration awards may also be enforced in the Mainland.

Judicial Judgment and Enforcement

The Supreme People's Court's Arrangement for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region, which was issued on 14 January 2019 and came into effect on 29 January 2024, repeals the Supreme People's Court's Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and Hong Kong SAR Pursuant to Agreed Jurisdiction by Parties Concerned, and further stipulates the scope of judgments, the procedures and methodologies for applying for recognition and enforcement, the review of the jurisdiction of the original judgment court, the circumstances in which judgments will not be recognized and enforced, and the avenues of redress for mutual recognition and enforcement of civil and commercial judgments by the courts of Chinese Mainland and Hong Kong.

This Appendix contains a summary of the principal provisions of the Articles of Association adopted on April 27, 2025, which will become effective on the date on which the H Shares are listed on the Stock Exchange. The main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association, and it may not necessarily contain all data that is important to potential investors.

ISSUANCE OF SHARES

The Company's shares are in the form of registered shares. H Shares shall be issued, held and transferred in uncertificated form from the participation date in accordance with these Articles of Association and the uncertificated securities market regime, except as otherwise permitted or required by the USM Rules. The issue (including reissue) of paper share certificates and other title instruments in respect of H Shares shall be subject to this Article and the USM Rules. In addition to the particulars required under the Company Law, paper share certificates lawfully issued by the Company shall also contain such other particulars as may be required by the stock exchange on which the Company's shares are listed.

The H Shares of the Company shall become participating securities from (and including) the participation date. All H Shares listed on the participation date (including H Shares converted from unlisted shares) shall be held in uncertificated form and recorded in the H Shares register as being held in uncertificated form. For so long as the H Shares remain participating securities and are not in the process of delisting, unless otherwise permitted or required by the USM Rules, all newly issued H Shares shall be issued in uncertificated form and the Company shall not issue any share certificate or other title instrument in respect of any H Shares. When issuing new H Shares in uncertificated form, the Company shall, in accordance with rule 26 of the USM Rules, ensure that the relevant holders are system-members or provisional system-members of the uncertificated securities registration and transfer system operated by the approved securities registrar appointed by the Company. The restrictions on the issue of share certificates or other title instruments shall also apply to any issue, allotment, transfer, transmission, consolidation or subdivision of H Shares registered in the H Shares register on or after the participation date.

H Shares which are participating securities held in uncertificated form may only be rematerialised in circumstances permitted by the USM Rules, including where the H Shares are in the process of delisting or where an exemption granted by the Securities and Futures Commission of Hong Kong permits rematerialisation, and subject to the requirements of the USM Rules and the conditions of the relevant exemption. Where rematerialisation is carried out in connection with a delisting, the Company shall, within the period specified in rule 27 of the USM Rules, delete from the H Shares register the entries indicating that such H Shares are held in uncertificated form and provide the relevant registered shareholders with written confirmation in accordance with that rule, stating that such entries have been deleted and whether share certificates may be issued to them and, if so, when and how such certificates may be obtained. Following rematerialisation in connection with a delisting, the Company shall, as soon as reasonably practicable, issue to the relevant registered shareholders, free of charge, such number of share certificates as required under the USM Rules. Where a relevant registered shareholder is a recognised clearing house or its nominee and specifies the number of share certificates and the number of shares to be represented by each certificate, the Company shall issue share certificates accordingly. Only one share certificate shall be issued in respect of the same shares held jointly. Rematerialisation and the issue of share certificates pursuant to an exemption shall be subject to the conditions of that exemption.

The issuance of shares by the Company shall be conducted on the principle of openness, fairness and justness, with each share of the same class bearing equal rights. The rights and obligations attached to shares of the same class shall not differ by reason of their being held in certificated form or uncertificated form. The form in which H Shares are held shall not, in itself, affect their class of shares.

Shares of such class in each issuance shall be issued under the same issuing conditions and at the same price. Each of the shares shall be subscribed for at the same price by any units or individual.

The par value of the nominal shares issued by the Company is denominated in RMB, with a par value of RMB1 per share.

Overseas listed foreign shares of the Company listed on the Hong Kong Stock Exchange are referred to as H Shares. Shares issued by the Company but not listed on any stock exchange within or outside the PRC are referred to as unlisted shares. Upon filing with the securities regulatory authority of the State Council, the Company's unlisted shares may be converted into overseas listed foreign shares and listed and traded on an overseas stock exchange. Such listing and trading on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of that overseas stock exchange. The conversion of unlisted shares into overseas listed foreign shares and their listing and trading on an overseas stock exchange shall not require a vote at a general meeting. Among the shares issued by the Company, unlisted shares shall be centrally registered and deposited with a securities registration and clearing institution in the PRC, while the registration and settlement arrangements for overseas listed foreign shares shall be subject to the rules and practices of the place where the Company's shares are listed. Such shares shall be principally deposited in the Central Clearing and Settlement System in Hong Kong, but may also be held by shareholders in their own names.

In respect of H Shares, the Company shall appoint an approved securities registrar in accordance with applicable laws and regulations and shall continuously retain an approved securities registrar to keep and maintain the H Shares register in Hong Kong for so long as the H Shares are prescribed securities. To enable the H Shares to become participating securities, the Company shall, in accordance with the uncertificated securities market regime, appoint an approved securities registrar authorised to provide and operate an uncertificated securities registration and transfer system, complete the necessary arrangements with it for access to that system, and obtain its written confirmation as to the readiness of the system and the date from which legal title to H Shares may begin to be evidenced and transferred without paper instruments. H Shares may be registered and held in the names of the shareholders themselves through that system in accordance with the uncertificated securities market regime and the operating rules of that approved securities registrar.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

The Company may, based on its needs for operation and development and in accordance with the law, regulation, departmental rules, regulatory document, the Hong Kong Listing Rules, security regulatory rules at the place where the Company's shares are listed and requirements of the regulatory authorities, increase its capital in the following ways subject to separate resolutions of the general meeting:

(1) issuing shares to unspecified investors;

(2) issuing shares to specific investors;

(3) distributing bonus shares to existing shareholders;

(4) converting reserve funds into share capital;

(5) other methods stipulated by laws and administrative regulations, permitted under the Hong Kong Listing Rules or approved by the CSRC or the securities regulatory authorities in the places where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the relevant provisions of the Company Law, the Hong Kong Listing Rules and other applicable laws, administrative regulations, departmental rules, regulatory documents and the procedures stipulated in the Articles of Association.

The Company shall not purchase its own shares except under any of the following circumstances:

(1) reducing the Company's registered capital;

(2) merging with another company that holds shares in the Company;

(3) granting shares as incentive to the staff of our Company;

(4) acquiring shares from shareholders who object to a resolution on the merger or division of the Company adopted at a general meeting and request the Company to acquire their Shares;

(5) utilizing the shares for the conversion of convertible corporate bonds issued by the Company;

(6) where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders;

(7) others as stipulated by laws, regulations, departmental rules, the Hong Kong Listing Rules, the regulatory rules of the place where the Company's shares are listed, and as permitted by the relevant regulatory authorities.

The Company may acquire its own shares through public centralized trading, or through other means recognized by laws, administrative regulations, the Hong Kong Listing Rules, and the securities regulatory authority in the place where the Company's shares are listed.

Where the Company acquires its own shares in the circumstances set out in items (3), (5) and (6) of the first paragraph above, it shall do so through public centralized trading, subject to compliance with the requirements of the applicable securities regulatory rules and Guidelines of the place where the Company's shares are listed.

The acquisition by the Company of its own shares on the grounds set out in item (1) and item (2) of the first paragraph above shall be approved by way of a resolution of the general meeting; In the event of acquisitions of the Company's shares under the circumstances stipulated in items (3), (5), and (6) of the first paragraph above, the Company may, in accordance with the provisions of the Articles or the authorization of the general meeting, and subject to the applicable security regulatory rules of the place where the Company's shares are listed, pass a resolution at the meetings of the Board with two-thirds or more of the directors attending. After acquiring shares in the Company, the Company shall fulfill its obligations of disclosure of information in accordance with relevant laws and regulations, the Hong Kong Listing Rules and the relevant regulations of the CSRC and the Hong Kong Stock Exchange.

Subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, after the Company purchases its own shares in accordance with the provisions of the first paragraph above, under the circumstances set out in item (1), such shares shall be cancelled within ten days from the date of acquisition; under the circumstances set out in items (2) and (4), such shares shall be transferred or cancelled within six months. Under the circumstances in items (3), (5), or (6), the total shares held by the Company shall not exceed 10% of the total number of the shares issued by the Company and shall be transferred or cancelled within three years.

TRANSFER OF SHARES

The Company's shares may be transferred in accordance with the law.

The registration of transfers of H Shares shall be handled in Hong Kong by the approved securities registrar appointed by the Company. Following any transfer, the number of shareholders of the Company shall comply with the relevant requirements of laws and regulations.

Where the relevant laws and regulations of the place where the Company's shares are listed prescribe a period during which registration of share transfers shall be suspended before the record date for convening a general meeting or for the Company's determination of dividend distributions, such provisions shall prevail. For so long as the H Shares are participating securities, any suspension of registration of transfers of such H Shares and closure of the relevant register of holders of H Shares shall comply with Article 32 of these Articles of Association and the USM Rules.

Where a transfer of H Shares is effected by an instrument of transfer in accordance with the law, such instrument shall be in writing in the usual or common form or in any other form acceptable to the Board of Directors, or in such other form as may be permitted by laws, regulations and the securities regulatory rules of the place where the Company's shares are listed (including the standard form of transfer or transfer form prescribed by the Hong Kong Stock Exchange from time to time). If the transferor or transferee of the Company's shares is a recognised clearing house (as defined in the relevant ordinances in force in Hong Kong from time to time) (hereinafter referred to as a "**recognised clearing house**") or its nominee, the written instrument of transfer may be signed by hand or by machine-imprinted signature. The instrument of transfer shall be signed by the transferor and transferee or their respective authorised representatives and, where applicable, shall comply with rule 12 of the USM Rules. All instruments of transfer shall be lodged at the registered office of the Company or at such other place as the Board of Directors may designate from time to time.

For so long as the H Shares are prescribed securities and are not in the process of delisting, unless otherwise permitted or required by the USM Rules, H Shares held by a transferor in uncertificated form shall be transferred by the transferor and transferee submitting a specified request in accordance with the USM Rules and the operating rules of the Company's approved securities registrar. The Company may, subject to the conditions under rule 13(3) of the USM Rules, permit written instructions to be used in place of the corresponding authenticated messages comprising a specified request. H Shares held in uncertificated form may only be transferred by an instrument of transfer in accordance with the USM Rules where best efforts have been made to facilitate the use of a specified request and the Board of Directors is satisfied that it is not reasonably practicable to effect the transfer by a specified request.

A person who becomes entitled to H Shares by transmission or otherwise by operation of law may, if such person elects to transfer the relevant H Shares to another person, execute an instrument of transfer or send a specified request in a manner permitted by this Article. The restrictions and provisions relating to transfers and registration of transfers under these Articles of Association and applicable laws and regulations shall equally apply to such transfers. Any issue of share certificates arising from such transfers or transmissions shall be subject to Article 16 of these Articles of Association.

To the extent that the USM Rules apply, the Company or the Board of Directors may refuse to register a transfer if the relevant specified request does not comply with the USM Rules or the operating rules of the Company's approved securities registrar, if H Shares held in uncertificated form are transferred by an instrument of transfer without satisfying the exceptional conditions specified in this Article, if the applicable transfer registration fee payable under this Article has not been paid, or if any other ground for refusal prescribed by the USM Rules or other applicable laws and regulations exists. Where the Company or the Board of Directors refuses to register a transfer, it shall give notice of refusal to the transferor and transferee within the applicable time limit prescribed by the Code of Conduct for Approved Securities Registrars and provide reasons for the refusal in accordance with the applicable requirements.

The Company's approved securities registrar may charge a reasonable fee for registering any instrument of transfer, specified request or other document relating to or affecting title to H Shares, provided that such fee shall not exceed the applicable limit specified in the Code of Conduct for Approved Securities Registrars.

For so long as the H Shares remain participating securities and are not in the process of delisting, unless otherwise permitted or required by the USM Rules, the Board of Directors may also refuse to register a transfer or transmission of H Shares if the transferor, transferee or person entitled to such H Shares by transmission (as applicable) is not a system-member of the uncertificated securities registration and transfer system operated by the approved securities registrar appointed by the Company.

Shares of the Company issued prior to the public issuance of shares may not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the transfer of shares held by shareholders or de facto controllers of listed companies, such provisions shall prevail.

The Company's directors and senior management personnel shall declare to the Company the shares of the Company held by them and any changes thereof. During their term of office, the shares transferred annually shall not exceed 25% of the total number of the Company's shares held by them, except for changes in shareholding due to judicial enforcement, inheritance, bequest, division of property according to the laws, etc. Shares held in the Company may not be transferred within one year from the date on which the Company's shares are listed and traded. The above-mentioned persons may not transfer their shares in the Company within half a year after leaving their posts.

Where a share is pledged within the term of restriction on transfer specified by laws and administrative regulations, the pledgee may not exercise the pledge right within the term of restriction on transfer.

Where the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of overseas listed foreign shares, such provisions shall prevail.

If a shareholder holding 5% or more of the Company's shares, a director, or senior management personnel sells his/her shares of the Company or other securities of an equity nature within six months of the date of purchase, or buys them again within six months of the date of sale, the proceeds therefrom shall belong to the Company, and the Board of Directors of the Company shall recover the proceeds therefrom. However, a securities company which holds 5% or more of the shares as a result of its underwriting of the unsubscribed shares, and other circumstances stipulated by the CSRC are excluded. If the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the restrictions on the transfer of H Shares imposed by the relevant regulatory authorities provide otherwise, such provisions shall prevail.

The shares or other securities of equity nature held by the directors, senior management personnel, and natural person shareholders referred to in the preceding paragraph shall include the shares or other securities of equity nature held by their spouses, parents, children and held through others' accounts.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company establishes and maintains a register of members, which is sufficient evidence that a shareholder holds shares in the Company, based on the credentials provided by the securities registration authority and in accordance with laws, regulations and regulatory documents, the Hong Kong Listing Rules, etc. The original H Shares register shall be kept in Hong Kong, and the Company shall keep a copy of the H Shares register at the Company's domicile. The entrusted overseas agents shall ensure the consistency of the original and copy H Shares registers at all times. The H Shares register kept in Hong Kong shall be available for inspection by persons entitled to do so in accordance with applicable laws and regulations and the Hong Kong Listing Rules. The Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Shareholders shall enjoy rights and assume obligations according to the class and number of shares they hold; shareholders holding shares of the same class shall enjoy equal rights and assume equal obligations.

For so long as the H Shares are prescribed securities, the Company shall maintain and update the H Shares register in accordance with the USM Rules and enter the particulars required under those Rules. H Shares listed on the participation date and H Shares subsequently issued in uncertificated form shall be recorded in the H Shares register as being held in uncertificated form, and such records shall not be amended or deleted except in circumstances permitted by the USM Rules. Entries in the H Shares register shall have the evidential value and other effects prescribed by the USM Rules. In the absence of evidence to the contrary, an entry in the H Shares register showing that a holder's H Shares are held in uncertificated form shall be evidence of that holder's title to those H Shares. The Company shall notify the relevant holder of any changes to entries relating to that holder in the H Shares register in accordance with the USM Rules and the Code of Conduct for Approved Securities Registrars. Where there is any change to the particulars of a registered shareholder holding H Shares in uncertificated form or to the relevant entries relating to such shareholder's uncertificated holdings, the Company shall provide that shareholder with written confirmation in accordance with rule 6 of the USM Rules.

For so long as the H Shares are prescribed securities, a current or former registered shareholder of H Shares may, in accordance with rules 7 and 8 of the USM Rules, inspect or copy entries in the H Shares register relating to that shareholder or request copies of such entries. Other persons legally entitled to do so may exercise their corresponding rights in accordance with applicable laws and regulations and the Hong Kong Listing Rules. Any conditions imposed by these Articles of Association on inspecting, copying or obtaining the Company's books and records shall not restrict or exclude the relevant rights conferred by the USM Rules.

For so long as the H Shares are participating securities, unless otherwise exempted by the Securities and Futures Commission of Hong Kong, each period during which the H Shares register is closed for registration shall not exceed two (2) consecutive business days, except that, if trading in the H Shares is suspended for a longer period, the register may be closed for registration for that longer period. Any such closure of registration shall comply with the USM Rules. For the purposes of this paragraph, "business day" shall have the meaning given to it in the USM Rules.

Rights and obligations of shareholders

The shareholders of the Company shall have the following rights:

(1) to receive dividends and other forms of benefit distributions in proportion to their shareholdings;

(2) to request, convene, preside over, attend or appoint a proxy to attend the general meeting and to exercise corresponding voting rights in accordance with the law;

(3) to supervise the operation of the Company, and make suggestions or inquiries;

(4) to transfer, gift or pledge the shares they hold in accordance with the laws and administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the relevant provisions of the relevant regulatory authorities and the Articles of Association;

(5) to inspect and copy the Articles of Association, the register of members, minutes of the general meetings, resolutions of Board meetings, and financial and accounting reports in accordance with the provisions of the Company Law and the Securities Law and other laws and administrative regulations; a shareholder who individually or collectively holds 3% or more of the shares of the Company for one hundred and eighty (180) consecutive days or more may inspect the accounting books and accounting vouchers of the Company. If the Company has reasonable grounds to believe that the shareholder has an improper purpose in inspecting the accounting books and accounting vouchers, which may damage the legitimate interests of the Company, it may refuse to provide such inspection and shall provide a written reply to the shareholder stating the reasons;

(6) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings;

(7) to inspect the Hong Kong branch register of holders of H Shares of the Company, provided that the Company may suspend the registration of shareholders on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); For so long as the H Shares are participating securities, the closure of the register and suspension of registration shall comply with Article 32 of these Articles of Association and the USM Rules;

(8) in the case of a shareholder objecting to a resolution passed at the general meeting on the merger or division of the Company, to require the Company to acquire his/her/its shares;

(9) other rights as prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the relevant provisions of the securities regulatory authorities and stock exchanges in the place where the Company's securities are listed, or the Articles of Association.

A shareholder requesting to inspect or copy the relevant information referred to in the preceding Article or to obtain materials shall provide the Company with written documents evidencing the class and number of shares of the Company held by that shareholder. Upon verification of the shareholder's identity, the Company shall provide the requested information or materials in accordance with the shareholder's request.

In respect of H Shares, the Company may verify the identity and shareholding of the relevant person by reference to the register of holders of H Shares and electronic records, both provided by the approved securities registrar, or by other means permitted under applicable laws and regulations, and shall not refuse any person the lawful exercise of their rights solely because that person is unable to produce a physical share certificate. A request to inspect, copy or obtain entries in the H Shares register pursuant to the USM Rules shall be handled in accordance with those Rules and shall not be refused on the grounds that the applicant no longer holds H Shares or is unable to provide a physical share certificate, provided that the Company may still verify the applicant's identity and entitlement to the relevant information in accordance with those Rules.

The shareholders of the Company shall assume the following obligations:

(1) to abide by the laws, administrative regulations and the Articles;

(2) to pay subscription monies in accordance with the shares subscribed for by them and the method of subscription;

(3) not to withdraw their share capital except under circumstances stipulated by laws and regulations;

(4) not to abuse shareholders' rights to harm the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person and the limited liability of shareholders to harm the interests of the Company's creditors;

(5) to assume other obligations imposed by laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, the relevant regulatory authorities, and the Articles of Association.

Any shareholder who abuses his rights as a shareholder and causes any loss to the Company or any other shareholder shall be liable for indemnification of such loss according to law. If shareholders of the Company abuse the independent status of the Company as a legal person and the limited liability of the shareholders, evade debts and seriously damage the interests of the creditors of the Company, they shall be jointly and severally liable for the Company's debts.

CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

The controlling shareholder and de facto controller of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC, the business rules of the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the relevant regulatory authorities, so as to safeguard the interests of the listed company.

The controlling shareholder and de facto controller of the Company shall comply with the following provisions:

(1) to exercise their shareholders' rights in accordance with the law, and not to abuse their control or utilize connected relationships to damage the legitimate rights and interests of the Company or other shareholders;

(2) to strictly fulfill their public statements and undertakings made by them, and not to unilaterally modify or waive them without authorization;

(3) to strictly perform information disclosure obligations in accordance with relevant regulations, proactively cooperate with the Company in its information disclosure work, and promptly inform the Company of material events that have occurred or are proposed to occur;

(4) not to occupy the funds of the Company in any manner;

(5) not to force, direct or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(6) not to utilize the undisclosed material information of the Company to seek benefits, not to leak the undisclosed material information related to the Company in any manner, and not to engage in illegal and non-compliant acts such as insider trading, short-swing trading, and market manipulation;

(7) not to damage the legitimate rights and interests of the Company and other shareholders by other means such as unfair connected transactions, profit distribution, asset restructuring, and external investment;

(8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organizational structure and business, and not to affect the independence of the Company in any manner;

(9) other provisions of laws, administrative regulations, the provisions of the CSRC, the Hong Kong Listing Rules, relevant business rules, the securities regulatory rules of the place where the Company's shares are listed, the provisions of relevant regulatory authorities, and these Articles of Association.

Where a controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually executes the corporate affairs of the Company, the provisions of the Articles of Association regarding the duty of loyalty and duty of diligence of directors shall apply to such person.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in acts that damage the interests of the Company or its shareholders, it/he/she shall bear joint and several liability together with such director or senior management.

GENERAL MEETINGS

General provisions on general meeting

The general meeting of the Company is composed of all shareholders. The general meeting serves as the Company's organ of authority and exercises the following functions and powers according to the laws:

(1) to elect and replace directors who are not employee representatives, and make decisions on remuneration matters for directors;

(2) to consider and approve the annual reports of the Board of Directors;

(3) to consider and approve the Company's profit distribution proposals and loss-making recovery plans;

(4) to make resolutions on the increase or reduction of the Company's registered capital;

(5) to make resolutions on the issuance of corporate bonds;

(6) to make resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) to amend the Articles;

(8) to make resolutions on the appointment and dismissal of the accounting firm engaged by the Company to perform audit services;

(9) to consider and approve transactions that, according to the Articles of Association and the rules of procedure for the general meeting, should be decided by the general meeting, and to consider and approve matters related to guarantees as stipulated in Article 47 of the Articles of Association;

(10) to consider the Company's purchase and sale of material assets within one year exceeding 30% of the Company's latest audited total assets;

(11) to consider and approve matters relating to the changes in the use of proceeds;

(12) to consider equity incentive plans and employee share ownership plans;

(13) to consider transactions (including one-off transactions and a series of transactions requiring aggregation for the calculation of percentage ratios) for which any of the applicable percentage ratios calculated by the Company in accordance with the provisions of Rule 14.07 of the Hong Kong Listing Rules is 25% or more (excluding any transactions that are exempt from shareholders' approval under the Hong Kong Listing Rules or with the approval of the Hong Kong Stock Exchange) or any connected transaction where any of the applicable percentage ratios is 5% or more (including one-off transactions and a series of transactions which require the aggregation of percentage ratios but excluding any connected transactions that are exempt from disclosure or public announcement under the Hong Kong Listing Rules or with the approval of the Hong Kong Stock Exchange);

(14) to consider other matters required to be decided by the general meeting pursuant to laws and administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the relevant regulatory authorities, or the Articles.

The general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The following external guarantees of the Company are required to be considered and approved at the general meeting:

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;

(2) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;

(3) any guarantee where the amount guaranteed by the Company to others within one year exceeds 30% of the Company's latest audited total assets;

(4) any guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;

(5) any single guarantee whose amount exceeds 10% of the Company's latest audited net assets;

(6) any guarantee provided to shareholders, de facto controllers and their related parties;

(7) other guarantees requiring approval by the general meeting as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the relevant regulatory authorities or the Articles.

The general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary general meeting within 2 months from the date of occurrence of any of the following circumstances:

(1) when the number of directors is less than two-thirds of the number of directors specified in the Articles;

(2) where the unrecovered losses of the Company amount to one-third of its total share capital;

(3) upon request by shareholders who individually or collectively hold 10% or more of the Company's shares;

(4) when deemed necessary by the Board;

(5) when proposed by the Audit Committee to convene such a meeting;

(6) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the relevant regulatory authorities, or the Articles.

The number of shares held by the shareholders mentioned in item (3) above shall be calculated based on the number of shares of the Company held on the date when they submit the written request.

Notice of the general meeting

Directors shall convene the general meeting in a timely manner within the prescribed time limit.

Independent non-executive directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, provided that such a proposal is agreed to by a majority of all independent non-executive directors. In response to a proposal by an independent non-executive director to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles, give a written response within 10 days of receipt of the proposal, agreeing or disagreeing to the convening of an extraordinary general meeting. If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the resolutions of the Board are made; if the Board does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee proposes to the Board to convene an extraordinary general meeting, and such proposal shall be made in writing. The Board of the Company shall provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the motions in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles. If the Board of the Company agrees to convene an extraordinary general meeting, a notice of such meeting shall be issued within five days after a resolution of the Board is passed. Approval of the Audit Committee must be sought if the proposal in the notice is different from the original proposal. If the Board of the Company does not agree to convene an extraordinary general meeting, or fails to reply within 10 days upon receipt of the motions, the Board of the Company shall be deemed to be unable, or to fail, to perform its Duties to convene a general meeting, and the Audit Committee may convene and preside over the general meeting.

Shareholders individually or collectively holding 10% or more of the Company's shares have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit the request to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the security regulatory rules of the place where the Company's shares are listed, and the Articles, provide written feedback on whether it agrees or disagrees with convening an extraordinary general meeting within 10 days after receiving the request. If the Board of directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting within five days after making the resolutions of the Board. Any changes to the original proposal in the notice must obtain the consent of the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to provide feedback within 10 days after receiving the request, shareholders individually or collectively holding 10% or more of the Company's shares may propose to the Audit Committee to convene an extraordinary general meeting and shall submit a written request to the Audit Committee. Where otherwise stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail. If the Audit Committee agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of a general meeting within the prescribed time limit, it shall be deemed that the Audit Committee has not convened and presided over a general meeting. Shareholders who individually or collectively hold 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

The convener shall give notice to each shareholder by public announcement 20 days prior to the annual general meeting and 15 days prior to the extraordinary general meeting.

For the purpose of calculating the aforementioned period by the Company, such period shall be exclusive of the date of the meeting, but inclusive of the date of issuing the notice.

The notice of a general meeting shall include the following:

(1) the time, venue, and duration of the meeting;

(2) the matters and proposals submitted to the meeting for consideration;

(3) a conspicuous statement indicating that: all shareholders are entitled to attend the general meeting, and may appoint a proxy in writing (including by an authenticated message used by an H Shareholder in accordance with Article 65 of these Articles of Association) to attend and vote at the meeting on their behalf, and that such proxy need not be a shareholder of the Company;

(4) the record date for determining the shareholders entitled to attend the general meeting;

(5) the name and telephone number of the designated contact person for meeting affairs;

(6) the voting time and voting procedures via the internet or other means (if any);

(7) other requirements as stipulated by laws, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles, etc.

The notice and supplementary notice of the general meeting shall fully and completely disclose all the specific details of all proposals.

Convening of the general meeting

All shareholders registered in the share register on the record date, or their proxies, shall have the right to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles (unless individual shareholders are required to abstain from voting on individual matters under the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend the general meeting in person or appoint a proxy to attend, speak and vote within the scope of the authorization on their behalf. A proxy need not be a shareholder of the Company. To the extent permitted by applicable law, a shareholder who is a natural person shall not appoint more than two (2) proxies in respect of the H Shares held by that shareholder for the same general meeting (including any adjournment thereof). Where two (2) proxies are appointed, the instrument of appointment shall specify separately the number of H Shares represented by each proxy.

Shareholders shall appoint their agents in writing or by submitting the form to the designated electronic address approved by the Board of Directors. The form shall be signed by the appointor or his/her agent appointed in writing or submitted to the designated electronic address or by electronic means. If the appointor is a legal person(s), the form shall be affixed with the seal of the legal person(s) or signed by its duly appointed agent or submitted to the designated electronic address or by electronic means.

To the extent permitted by applicable laws and regulations, and subject to the availability of the relevant services provided by the Company's approved securities registrar, an H Shareholder may appoint or revoke the appointment of a proxy by an authenticated message in accordance with Article 176 of these Articles of Association.

An appointment or revocation made in accordance with the preceding paragraph may, to the extent permitted by applicable laws and regulations, satisfy the requirements of these Articles of Association as to the written form, signature, seal and manner of submission of the relevant documents by means of authenticated messages and relevant electronic records. The authority conferred by the appointment, its required contents, identity verification, supporting documents and time limit for submission shall remain subject to these Articles of Association and applicable laws and regulations.

If the shareholder is the recognised clearing house of the jurisdiction where the shares of the Company are listed or its nominee, the shareholder may authorize one or more persons it deems appropriate to act as its representative or its proxy at any general meeting or any meeting of creditors; however, if more than one person is authorised, the power of attorney shall specify the number and class of shares involved by each such person, and the power of attorney shall be signed by the authorised personnel of the recognised clearing house. The person(s) so authorised may attend the meeting on behalf of the recognised clearing house (or its agent) (upon presentation of his/her identification, without presenting the shareholding certificate, notarized authorization and/or further evidence to prove that he/she is duly authorised) to exercise his/her rights as if he/she was an individual shareholder of the Company, enjoying the statutory rights equivalent to those of other shareholders, including the right to speak and vote.

Where an individual shareholder attends the meeting in person, such shareholder shall produce their identity card or other valid documents or proof evidencing their identity; where a proxy attends the meeting on behalf of a shareholder, the proxy shall produce their own valid identity document and the power of attorney issued by the shareholder.

A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by the legal representative. Where the legal representative attends the meeting, such legal representative shall produce their identity card and valid proof evidencing their capacity as the legal representative; where a proxy attends the meeting, the proxy shall produce their identity card and a written power of attorney duly issued by the legal representative of the corporate shareholder.

A partnership shareholder shall attend the meeting through its executive partner, the appointed representative of the executive partner, or a proxy appointed by either of the foregoing. Where the executive partner or its appointed representative attends the meeting, such person shall produce their identity card and valid proof evidencing their capacity as the executive partner or the appointed representative thereof; where a proxy attends the meeting, the proxy shall produce their identity card and a written power of attorney duly issued by the executive partner of the partnership or its appointed representative. The foregoing shall not apply where the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time.

The power of attorney issued by a shareholder to appoint a proxy to attend the general meeting shall specify the following information:

(1) The name of the principal and the class and number of shares in the Company held;

(2) The name of the proxy;

(3) The specific instructions from the shareholders, including instructions to vote for, against, or abstain from voting on each matter to be considered on the agenda of the general meeting;

(4) The date of issuance and validity period of the power of attorney;

(5) The signature (or seal) of the principal. If the principal is a corporate shareholder, the instrument shall be affixed with its corporate seal.

The power of attorney shall indicate whether the proxy may vote at their own discretion if no specific instructions are given by the shareholder.

If the power of attorney for voting by proxy is signed by a person authorized by the principal, the power of attorney or other authorization documents shall be notarized. Both the notarized power of attorney or other authorization documents and the power of attorney for voting by proxy must be deposited at the Company's residence or other place designated in the notice convening the meeting 24 hours before the meeting or 24 hours before the designated voting time.

The Company is responsible for preparing a register of meeting attendees. The meeting register shall specify the name (or name of the entity) and identity card number of the person (or entity) attending the meeting, the number of voting shares held or represented, and the name (or name of the entity) of the principal represented by the proxy.

The convener shall verify the legality of the shareholders' qualifications based on the register of members provided by the securities registration and clearing organization, and register the shareholder's name (or name) and the number of voting shares held. Registration shall end before the chairperson announces the total number of shareholders and proxies present in person and the total number of shares with voting rights held. Shareholders who vote through online voting shall have their shareholder status verified by the securities exchange's identity verification institution or others as permitted by the securities regulatory rules of the place where the Company's shares are listed.

Where the general meeting require the directors or senior management personnel to attend the meeting, the directors and senior management personnel shall attend and address the inquiries of the shareholders.

The general meeting is chaired by the chairman of the Board of Directors. In the event that the chairman of the Board of Directors is incapable of performing or is not performing his duties, a director jointly nominated by more than half of the directors shall preside over the meeting.

The general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his or her duties, a member of the Audit Committee selected jointly by a majority of the Audit Committee members shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

When convening a general meeting, if the meeting presider violates the rules of procedure and makes it impossible to continue the general meeting, with the consent of more than half of the shareholders present at the general meeting with voting rights, the general meeting may elect one person to serve as the meeting presider and continue the meeting.

The Company formulates the Rules of Procedure for the general meeting, which stipulate in detail the proceedings for convening and voting at the general meeting, including such contents as notice, registration, consideration of motions, voting, vote counting, announcement of voting results, formulation of meeting resolutions, minutes of the meeting and their signing, and public announcements. The rules of procedure for the general meeting shall be attached to the Articles as an appendix and drafted by the Board of Directors and approved by the general meeting.

At the annual general meeting, the Board of Directors shall report on its work over the past year. Each independent non-executive director shall also make a report on his work.

The directors and senior management shall provide explanations and clarifications at the general meeting in response to queries and proposals from shareholders.

The presiding officer shall, before voting begins, announce the number of shareholders and proxies present in person and the total number of shares with voting rights held by them. The number of shareholders and proxies present in person and the total number of shares with voting rights held by them shall be determined on the basis of the registration for the meeting.

The general meeting shall have minutes, which shall be prepared by the secretary of the Board of Directors. The minutes of the meeting record the following:

(1) The time, venue, agenda and name of the convener of the meeting;

(2) The name of the presiding officer and the directors and senior management present or in attendance at the meeting;

(3) The number of shareholders and proxies attending the meeting, the total number of voting shares held and the percentage of the Company's total number of shares;

(4) The deliberation process, key points of the speeches and voting results for each motion;

(5) Shareholders' inquiries or suggestions and the corresponding responses or explanations;

(6) Name of the vote counter and supervisor;

(7) Others as stipulated in the Articles and to be included in the minutes of the meeting.

The convener shall ensure that the content of the minutes is true, accurate and complete. The directors, secretary of the Board of Directors, convener or his/her representative, and the presiding officer who attended the meeting or participated in the meeting shall sign the minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms as well as other valid information, and shall be retained for not less than 10 years.

The convener shall ensure that the general meeting continues until a final resolution is reached. If the general meeting is suspended or unable to make a resolution due to special reasons such as force majeure, necessary measures shall be taken to resume the general meeting as soon as possible or to directly terminate this general meeting, and a public announcement and report shall be made in a timely manner in accordance with the laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the relevant regulatory authorities.

Resolutions of the General Meeting

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting must be passed by more than half of the voting rights held by the Shareholders (including proxies) present at the general meeting.

Special resolutions made by the general meeting must be passed by two-thirds or more of the voting rights held by the shareholders (including proxies) present at the general meeting.

The following matters shall be resolved by ordinary resolution at a general meeting:

(1) work reports of the Board;

(2) profit distribution schemes and loss makeup plan prepared by the Board;

(3) the appointment and removal of members of the Board who are not employee representatives, and the remuneration and manner of payment of such members; the removal of any director (including a chairman or other executive director) before the expiration of his term of office. However, such removal does not affect any claim for damages under any contract made by that director;

(4) the Company's annual budgets and final accounts;

(5) the annual report of the Company;

(6) the appointment or dismissal of accounting firms by the Company and the determination of their remuneration;

(7) connected transactions to be entered into by the Company with connected persons in an amount of 30 million yuan or more, and accounting for 5% or more of the Company's latest period's audited net assets;

(8) changing the project investment for the subscription funds;

(9) matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.

The following matters shall be resolved by special resolution at a general meeting:

(1) the Company increases or decreases its registered capital;

(2) the merger, division, dissolution, liquidation (including voluntary liquidation) or change of corporate form of the Company;

(3) amending the Articles;

(4) the Company purchases or disposes of material assets within 1 year or the amount guaranteed exceeds 30% of the Company's latest audited total assets;

(5) share incentive plans;

(6) other matters that are stipulated in laws, administrative regulations, the Hong Kong Listing Rules, the Articles, or the securities regulatory rules and requirements of the regulatory authorities of the place where the Company's shares are listed, or that the general meeting determines by ordinary resolution to have a significant impact on the Company and to require approval by special resolutions.

When the general meeting considers matters related to connected transactions, the connected shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes. The resolution of the general meeting shall state the avoidance and voting of the connected shareholders, and fully specify the voting of the non-connected shareholders.

The general meeting shall vote on all proposals, except for cumulative voting, on a case-by-case basis. If there are different motions on the same matter, they shall be voted on in the chronological order in which they were proposed. Except in the event that the general meeting is suspended or is unable to make a resolution due to special reasons such as force majeure, the general meeting may not set aside or not vote on the motions.

When the general meeting considers a proposal, no amendment to the proposal shall be made. Otherwise, the relevant changes shall be treated as a new proposal that cannot be voted on at this general meeting.

The same voting right can only be exercised by one of the following means of on-site voting, online voting or other means of voting. In the event of repeated voting of the same voting right, the results of the first vote shall prevail.

Voting at the general meeting is by open ballot.

Before the general meeting votes on the motions, it shall elect two shareholder representatives to participate in and supervise the vote counting. If the matters under consideration involve the interests of the shareholders, the relevant shareholders and their proxies shall not participate in the vote counting or supervision. When the general meeting votes on motions, shareholder representatives and members of the Audit Committee shall be jointly responsible for counting and monitoring the votes, and announce the voting results on the spot. The voting results of the resolutions shall be included in the meeting minutes. Shareholders of the Company or their proxies voting via the internet or video conference, telephone or other means have the right to check the result of their vote via the corresponding voting system.

The on-site meeting of shareholders shall not end earlier than the voting sessions conducted online or by other means. The meeting host shall announce the voting situation and results of each motion and announce whether the motion has been passed or not based on the voting results. Before the official announcement of the voting results, all parties involved in the voting, including the Company, the vote counter, the vote supervisors, the shareholders, and the network service providers, whether on site, online, or voting by other means, are obliged to keep the voting information confidential.

Shareholders attending the general meeting shall express one of the following opinions on the motions submitted for voting: assent, objection or abstention except where the securities registration and clearing institution, as the nominal holder of shares under the Interconnection Mechanism for Mainland and Hong Kong Stock Markets, makes declarations in accordance with the intentions of the actual holders. The securities registration and clearing organization shall have the right to appoint proxies or corporate representatives to attend the issuer's general meetings and creditor meetings, and these proxies or corporate representatives shall enjoy statutory rights equal to those of other shareholders, including the rights to speak and vote.

If a vote is not filled in, incorrectly filled in, illegible or not cast, the voter shall be deemed to have waived his/her voting rights, and the voting results for the number of shares held by him/her shall be counted as "abstain".

Where the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the relevant regulatory authorities require any shareholder to abstain from voting on any particular resolution or restrict any shareholder to voting only for (or against) any particular resolution, any votes cast by or on behalf of such shareholders in contravention of such requirements or restrictions shall not be counted. If the presiding officer has any doubt as to the outcome of a resolution submitted for voting, he or she may organize a vote count of the votes cast. If the presiding officer does not conduct a vote count, and a shareholder or shareholder proxy attending the meeting objects to the outcome announced by the presiding officer, he or she has the right to request a vote count immediately after the voting result is announced, and the presiding officer shall immediately organize a vote count.

The resolution of the general meeting shall be announced in a timely manner. The public announcement shall specify the number of shareholders and proxies in attendance, the total number of shares with voting rights held and the percentage of the Company's total number of shares with voting rights, the voting method, the voting results of each motion, and the details of each resolution passed. The issuance of domestic-listed foreign shares shall be subject to separate statistics and public announcements on the attendance and voting of holders of domestic shares and holders of foreign shares.

If the motions are not passed, or if the general meeting changes the resolutions of the previous general meeting, a special reminder shall be included in the general meeting resolution.

DIRECTORS AND THE BOARD

Directors

The Company's directors are natural persons. Directors are not required to hold shares in the Company. A person shall not serve as a director of the Company if he or she:

(1) without capacity or with limited capacity for civil conduct;

(2) has been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property, or disrupting the socialist market economic order, or has been deprived of his political rights due to a crime, where less than five years have elapsed since the completion of the sentence, and in the case of being granted a suspended sentence, not more than two years have elapsed since the date of expiry of the probation period;

(3) has served as a director, factory manager or manager of a company or an enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of such company or enterprise, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

(4) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation or closure, and three years have not elapsed since the date when the revocation or closure occurs;

(5) a person who fails to liquidate a relatively large amount of personal debts when they are due, resulting in such person being listed by a People's Court as a judgment debtor subject to enforcement for dishonesty;

(6) being subject to a ban from entering the securities market by the CSRC, with the term not yet expired;

(7) Those who have been publicly recognized by the stock exchange as being unsuitable to serve as directors or senior management of a listed company, etc., and whose term has not yet expired;

(8) other contents stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, or the securities regulatory rules of the place where the Company's shares are listed and the requirements of relevant regulatory bodies.

If a director is elected, appointed or engaged in violation of the above provisions, such election, appointment or engagement shall be invalid. The Company shall remove a director from office and require the director to cease performing their duties if any of the aforementioned circumstances occur during their term of office.

Directors shall be elected or replaced by the general meeting, with a term of three years. A director may serve consecutive terms if re-elected.

The general meeting, subject to compliance with the relevant laws, administrative regulations and the provisions of the Hong Kong Listing Rules, may, by ordinary resolution, remove any director (including an executive director) before the expiration of their term of office (but without prejudice to any claim for damages under any contract). The resolution shall take effect on the date on which it is made.

The term of office of a director shall be calculated from the date of office until the expiration of the term of the current Board of Directors. If a director's term of office expires and a successor is not elected in time, until the newly elected director takes office, the original director shall still perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles. Subject to the relevant laws and regulations and regulatory rules of the place where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy or as an addition to the Board of Directors, the term of office of the appointed director shall only end at the next annual general meeting of the Company, and they shall be eligible for re-election at that time. All directors appointed to fill a casual vacancy shall subject to election by shareholders at the first general meeting after their appointment.

Directors may concurrently serve as senior management personnel, but the total number of directors who concurrently hold the roles of senior management personnel shall not exceed 1/2 of the total number of the Company's directors.

The directors shall comply with laws, administrative regulations, the Hong Kong Listing Rules, and the Articles, and shall have the following duties of loyalty to the Company:

(1) no encroachment on the assets of a company or misappropriation of company funds;

(2) not to open accounts in his own name or in the name of any other person for the deposit of the Company's assets or funds;

(3) not to take advantage of one's position to engage in bribery or accept other illegal income;

(4) not to enter into contracts or conduct transactions with the Company, whether directly or indirectly, without reporting to the Board of Directors or the general meeting and obtaining approval by a resolution of the Board of Directors or the general meeting in accordance with the provisions of the Articles of Association;

(5) directors shall not take advantage of their position to seek for themselves or others any business opportunities that belong to the Company, unless the matter has been reported to the Board of directors or the general meeting and has been approved by a resolution of the general meeting, or the Company is unable to use the business opportunity due to laws, administrative regulations or the provisions of the Articles of Association;

(6) without reporting to the Board of Directors or the general meeting and obtaining the approval of a resolution of the general meeting, directors shall not operate a business of the same type as that of the Company, either on their own behalf or on behalf of another person;

(7) not accepting for their own benefit commissions from other parties dealing with the Company;

(8) not to disclose secrets of the Company without authorization;

(9) not to take advantage of their connected relationships to prejudice the interests of the Company;

(10) other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, relevant regulatory authorities, and the Articles.

The income obtained by a director in violation of the above provisions shall belong to the Company; if any loss is caused to the Company, he/she shall be liable for compensation.

The directors shall comply with the law, administrative regulations and the Articles of Association, and shall owe the Company the following diligence obligations. They shall perform their duties with the reasonable care normally exercised by managers in the best interests of the Company:

(1) shall prudently, earnestly and diligently exercise the rights granted by the Company to ensure that the Company's business practices comply with the requirements of state laws, administrative regulations, and state economic policies, and that the Company's commercial activities do not exceed the scope of business stipulated in the business license;

(2) to treat all shareholders fairly;

(3) shall maintain a timely awareness of the operation and management of the Company;

(4) the directors shall sign a written confirmation of the Company's regular reports, ensuring that the Company discloses information in a timely and fair manner, and that the information disclosed is true, accurate, and complete. If the directors cannot guarantee the authenticity, accuracy, and completeness of the contents of the securities issuance documents and regular reports or have any opposition, they shall express their opinion and state the reasons in the written confirmation opinion, which the Company shall disclose. If the Company does not disclose, the directors may directly request disclosure;

(5) shall truthfully provide the Audit Committee with relevant information and materials, and shall not hinder the Audit Committee from exercising its functions;

(6) in the course of business activities, they shall exercise due care in accordance with the principle of business judgment and make every effort to safeguard the interests of the Company and all shareholders;

(7) other diligent obligations prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles.

If a director fails to attend two consecutive Board meetings in person and fails to appoint another director to attend on their behalf, they shall be deemed to be unable to perform their duties, and the Board of Directors shall propose to the general meeting that they be replaced. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, directors who attend Board meetings online, via video conference, by telephone or other means of equivalent effect shall also be deemed to have attended in person.

Directors may resign before the expiration of their term of office. The resignation of the Company's directors shall be submitted in writing to the Company. The resignation shall be effective on the date the Company receives the resignation. The Company will make disclosure within two trading days.

If the resignation of a director results in the number of members of the Company's directors falling below the statutory minimum, or the resignation of an independent non-executive director results in the proportion of independent non-executive directors on the Board of Directors being less than one-third of the members of the Board of Directors or there being a lack of professionally qualified persons among the independent non-executive directors, and this is not in compliance with the provisions of laws, regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles, the original directors shall continue to perform their duties as directors in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles, before the re-elected directors assume office.

Independent non-executive directors may resign before the end of their term of office. If the resignation of an independent non-executive director results in the number of independent non-executive directors being less than one-third of the number of directors, or the requirements set out in the regulatory rules of the place where the Company's shares are listed are not met, the original independent non-executive directors shall continue to perform the duties of independent non-executive directors in accordance with the laws, administrative regulations, departmental rules and the provisions of the Articles before the newly elected independent non-executive directors assume office. If at any time the Company's independent non-executive directors do not meet the number, qualifications or independence requirements prescribed by the Hong Kong Listing Rules, the Company must immediately notify the Hong Kong Stock Exchange and issue a public announcement stating the relevant details and reasons. The Company must also appoint a sufficient number of independent non-executive directors within three months to meet the requirements of the Hong Kong Listing Rules.

The Company has established a management system for the departure of directors, which clearly defines the coverage of public commitments that have not been fulfilled and other matters that have not been dealt with, as well as the measures to ensure accountability and recovery. When a director's resignation is effective or the term of office expires, he or she must complete all handover procedures with the Board of Directors. His or her obligation to keep the Company's trade secrets confidential remains valid after the end of his or her term of office until such time as the information becomes public. Directors' other fiduciary duties to the Company and shareholders remain valid for a period of three years from the date of departure. The liability of directors for the performance of their duties during their term of office shall not be exempted or terminated by reason of their departure from office.

No director shall act in his/her personal name on behalf of the Company or the Board without the legal authorization of the Articles or the Board. When a director acts in his/her personal name and a third party may reasonably believe that the director acts on behalf of the Company or the Board, the director shall declare his/her position and identity in advance.

If the Company's directors violate the law, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of relevant regulatory authorities or the Articles when performing their duties, and losses are incurred to the Company, they shall be liable for compensation.

If the directors perform their duties and cause damage to others, the Company shall be liable for compensation. The directors shall also be liable for compensation if there is intent or gross negligence on their part.

The Company's controlling shareholder(s) and de facto controller(s), who instruct the directors to act against the interests of the Company or its shareholders, shall be jointly and severally liable with the directors.

The Company has independent non-executive directors. Independent non-executive directors shall perform their duties in accordance with the relevant provisions of the laws and regulations, the Hong Kong Listing Rules and the Articles.

The Board

The Company shall establish a Board of Directors, which shall be accountable to the general meeting.

The Board of Directors of the Company consists of 15 directors, including five independent non-executive directors.

The Board of Directors shall exercise the following functions and powers:

(1) to convene general meetings and report on its work to the general meetings;

(2) to execute resolutions of the general meeting;

(3) to resolve on the Company's annual business plans and investment plans;

(4) to formulate the Company's profit distribution schemes and loss makeup plan;

(5) to formulate plans for the Company to increase or reduce its registered capital, issue bonds or other securities, and to be listed;

(6) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

(7) to decide on the Company's external investment, acquisition and disposal of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, external donations and other matters within the scope of authorization of the general meeting;

(8) to decide on the setup of the Company's internal management organs;

(9) to decide on the appointment or dismissal of the Company's manager, secretary to the Board and other senior management personnel, and determine their emoluments and rewards and punishments; decide on the appointment or dismissal of the Company's deputy manager, financial officer and other senior management personnel based on the nomination of the manager and decide on their emoluments and rewards and punishments;

(10) to formulate the basic administration system of the Company;

(11) to formulate the proposals for any amendment to the Articles;

(12) to manage information disclosure matters of the Company;

(13) to propose to the general meeting the appointment or replacement of the accounting firm that audits the Company;

(14) to hear the work report of the manager of the Company and inspect the work of the manager;

(15) to formulate and review the Company's corporate governance policies and practices, and make recommendations to the Board of Directors;

(16) to review and monitor the training and continuous professional development of directors and senior management;

(17) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(18) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;

(19) to review the Company's compliance with the Corporate Governance Code (Appendix 14 to the Hong Kong Listing Rules) and its disclosure in the Corporate Governance Report;

(20) to approve transactions that, according to the law, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, the relevant regulatory authorities and the Articles of Association, should be approved by the Board of Directors;

(21) other functions and powers granted by the laws, administrative regulations, departmental rules, the Articles or the general meeting;

(22) others as required by laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the relevant regulatory authorities.

Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

The Board of the Company shall have one chairman of the Board of Directors, who shall be elected and dismissed by more than half of the directors. The term of office of the chairman shall be three years, and may be renewed upon re-election.

The chairman shall exercise the following functions and powers:

(1) to preside over general meetings and to convene and preside over the Board meetings;

(2) to supervise and inspect the implementation of board resolutions;

(3) to sign paper share certificates lawfully issued by the Company, corporate bonds and other negotiable securities, provided that any paper share certificates relating to H Shares shall be subject to Article 16 of these Articles of Association;

(4) to sign documents of the Council and other documents that should be signed by the legal representative;

(5) to exercise the powers of the legal representative;

(6) in the event of force majeure emergencies such as severe natural disasters, to exercise special powers to handle corporate matters in compliance with legal requirements and the interests of the Company, and report to the Board of Directors of the Company and the general meeting afterwards;

(7) other functions and powers authorized by the Board.

If the chairman of the Board of Directors is unable or fails to perform his/her roles, more than half of the directors shall jointly elect a director to perform such roles.

Board meetings are divided into regular meetings and extraordinary meetings. Regular meetings are held at least 4 times each year on a quarterly basis.

Shareholders representing 1/10 or more of the voting rights, 1/3 or more of the directors or the Audit Committee may propose to convene an interim meeting of the Board. The Chairman of the Board shall convene and preside over a board meeting within 10 days after receiving the proposal.

The Board of Directors shall give 14 days' written notice before a regular meeting and 5 days' written notice before an extraordinary meeting. The above notice period may be waived by decision of the Board of Directors as appropriate in each case. Any director who attends the meeting without raising any objection before or at the beginning of the meeting about not receiving the notice shall be deemed to have received the notice of the meeting.

The notice of meetings of the Board includes the following:

(1) the date and venue of the meeting;

(2) the method and term of convening the meeting;

(3) the reasons for holding the meeting and the matters to be discussed;

(4) the date on which the notice was sent.

Meetings of the Board shall be held only if more than half of the directors are present. Resolutions of the Board must be passed by more than half of all directors.

Each director shall have one vote for resolutions to be approved by the Board of Directors.

If a director is related to the enterprise involved in the resolutions made at the meetings of the Board, the director shall promptly report to the Board of the Company and shall not exercise voting rights on the resolution, nor may he/she exercise voting rights on behalf of other directors. The Board meeting can be held if more than half of the unrelated directors are present, and resolutions made at the Board meeting must be passed by more than half of the unrelated directors. If the number of directors without connected relationship present at the Board meeting is less than three (3), the matter shall be submitted to the general meeting for consideration.

Meetings of the Board of Directors shall be held in person or by other means approved by all directors. While ensuring that the directors can fully express their opinions, the use of the Internet, telephone and video conferencing to facilitate directors' participation in board meetings is permitted. Directors participating in board meetings via the Internet, telephone or video conferencing are deemed to be present at the meeting in person.

If a substantial shareholder (for the purposes of this section only, a substantial shareholder means a shareholder who, either alone or with others, holds 10% or more of the total number of voting shares of the Company) or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a Board meeting (rather than a written resolution). Independent non-executive directors who, and whose close associates (as defined in the Hong Kong Listing Rules), have no material interest in the transaction should be present at the relevant Board meeting.

Resolutions of the Board of Directors shall be voted on by open ballot.

Provided that the directors may fully express their opinions, extraordinary board meetings may be convened and voted by way of telephone, fax, email and other electronic means, and such resolutions shall be signed by the directors attending the meeting.

Board meetings shall be attended by the directors in person; if a director is unable to attend for any reason, he/she may authorize another director in writing to attend on his/her behalf. The power of attorney shall state the proxy's name, matters of agency, scope of authorization and valid duration, and shall be signed or stamped by the principal. Directors who attend meetings on their behalf shall exercise their rights within the scope of authorization. If a director fails to attend a Board meeting and has not appointed a representative to attend, he/she shall be deemed to have given up his/her right to vote at the meeting.

The Board of the Company shall keep minutes of the resolutions of the matters discussed at the meeting, which shall be the responsibility of the personnel designated by the Board of Directors. The minutes shall be signed by the directors present at the meeting.

The minutes of the Board of Directors meetings shall be kept as Company archives for a term of not less than 10 years.

The minutes of the directors' meeting include the following:

(1) The date, place and name of the convener of the meeting;

(2) The names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the board meeting;

(3) Meeting agenda;

(4) Main points of the speech by the directors;

(5) The voting method and result for each resolution (the voting result shall specify the number of votes for, against, or abstaining).

Special Committees of the Board

The Board of the Company has established an Audit Committee to exercise the powers of the Supervisory Committee as stipulated in the Company Law.

The Audit Committee shall comprise three members who are non-executive directors not serving as senior management of the Company, and the majority of whom shall be independent non-executive directors. At least one of the members shall be an independent non-executive director who is a financial accounting professional and meets the requirements of Rule 3.10(2) of the Hong Kong Listing Rules.

The Audit Committee exercises the powers of the Supervisory Committee as stipulated in the Company Law, and is responsible for reviewing the Company's financial information and its disclosure of information, supervising and evaluating the internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration after being agreed to by more than half of all members of the Audit Committee:

(1) Disclosure of financial information in financial and accounting reports and regular reports, and internal control evaluation reports;

(2) The engagement or dismissal of the accounting firm responsible for auditing the Company;

(3) Appointment or dismissal of the financial officer of the Company;

(4) Changes in accounting policies or accounting estimates or corrections of significant accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated in laws, administrative regulations, the CSRC, security regulatory rules of the place where the Company's shares are listed, and the Articles.

The Audit Committee shall meet at least once every quarter. An extraordinary meeting may be called at the request of two or more members or when the convener deems it necessary. The Audit Committee meeting shall only be held when two-thirds or more of the members are present.

A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the Audit Committee, each member shall have one vote. The resolutions of the Audit Committee shall be recorded in the minutes of the meeting in accordance with regulations, which shall be signed by the members of the Audit Committee who attended the meeting. The Board of Directors is responsible for formulating the working regulations of the Audit Committee.

The Board of Directors of the Company shall establish other special committees such as nomination, remuneration and assessment, and strategy committees, which shall perform their duties in accordance with the Articles of Association and the authorizations of the Board of Directors. Proposals of the special committees shall be submitted to the Board of Directors for review and decision. The Board of Directors is responsible for formulating the working regulations of the special committees.

SENIOR MANAGEMENT

The Company has one General Manager, two Co-Presidents, several Deputy General Managers, one Chief Financial Officer and one Secretary of the Board of Directors. They are appointed or dismissed by the Board of Directors.

Senior management of the Company includes the General Manager, Co-Presidents, Deputy General Manager, Secretary of the Board of Directors, Chief Financial Officer and others recognized by the Board of Directors as senior management.

Persons who are not qualified to serve as directors under the circumstances provided in these Articles are also not qualified to serve as senior management. The provisions under these Articles in relation to duties of loyalty and duties of diligence of the directors shall also be applicable to the senior management.

Persons who hold administrative positions other than directors or supervisors in other entities controlled by the Company's controlling shareholders or de facto controllers may not serve as the Company's senior management. The Company's senior management are only paid by the Company and are not paid by the controlling shareholder.

The senior management personnel of the Company are appointed for a term of three years and can be re-appointed upon expiration of term of office.

The general manager and co-presidents shall be accountable to the Board and exercise the following functions and powers:

(1) to preside over the Company's production, operation, and management work, organize the implementation of Board resolutions, and report work to the Board;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to formulate a plan for the establishment of the Company's internal management organization;

(4) to formulate the Company's basic management system;

(5) to formulate the Company's specific rules;

(6) to propose to the Board to appoint or dismiss the Company's deputy general manager and financial officer;

(7) to decide to appoint or dismiss executives other than those who shall be appointed or dismissed by the Board of the Company;

(8) other functions and powers conferred by the Articles of Association or the Board.

The general manager and co-presidents shall attend Board meetings.

The Deputy General Manager shall be nominated by the General Manager and Co-Presidents and appointed or dismissed by the Board of Directors. The deputy general manager assists the general manager and co-president, is responsible for the relevant work entrusted by the general manager and co-president, and issues relevant business documents within the scope of his responsibilities. When the general manager or co-president is unable to perform his or her duties, the deputy general manager may be entrusted by the general manager or co-president to act on his or her behalf.

The Company has a Board secretary, who is responsible for the preparation of the Company's general meetings and Board meetings, document storage, and management of the Company's Shareholder information.

The secretary to the Board of the Company shall comply with the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles.

Senior management personnel who violate laws, administrative regulations, departmental rules or the Articles in the performance of their duties, resulting in damage to the Company, shall be liable to indemnify the Company for such damage.

If a senior management causes losses to others in performing his/her duties, the Company shall be liable for compensation; the senior management shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

The controlling shareholder or de facto controller of the Company who instructs senior management to engage in conduct that harms the interests of the Company or shareholders shall be jointly and severally liable with the senior management for such conduct.

Senior managers shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior management personnel who fail to faithfully perform their duties or violate their duty of good faith, causing damage to the interests of the Company and public shareholders, shall be liable for compensation according to the laws.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, the provisions stipulated by the relevant state departments, and the requirements of the Hong Kong Listing Rules.

The Company's fiscal year is the calendar year, from January 1 to December 31. The Company shall prepare an annual financial and accounting report within four (4) months of the end of each fiscal year in accordance with relevant laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the requirements of the relevant regulatory authorities.

The Company will not maintain separate accounting books other than the statutory accounting books. The Company's funds shall not be deposited in any account opened under the name of an individual.

The Company is required to allocate 10% of its profits into its statutory common reserve fund when distributing each year's after-tax profits. When the accumulated amount of the statutory common reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

When the Company's statutory common reserve fund is not sufficient to make up for the Company's losses for the previous years, the current year's profits shall first be used to make up for the losses before any allocation is set aside for the statutory common reserve fund in accordance with the provisions of the preceding paragraph.

After the Company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund.

After making up its losses and making allocations to its reserve funds, the balance of the profits after tax shall be allocated to the shareholders in proportion to their shareholdings.

If the general meeting, in violation of the provisions of the preceding paragraph, distributes profits to the shareholders before the Company makes up its losses and makes allocations to the statutory common reserve fund, the shareholders must return the profits distributed in violation of those provisions to the Company.

The shares held by the Company shall not be entitled to any profit distribution.

The Company's reserve funds shall be used to make up the losses or expand the production operations, or be converted to increase the share capital of the Company.

When utilising reserve funds to make up for the Company's losses, the discretionary reserve fund and statutory common reserve fund shall be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with regulations.

When the statutory common reserve fund is converted into capital, the retained balance of such reserve fund shall not be less than 25% of the registered capital of the Company before such conversion.

In respect of the consolidation or subdivision of H Shares, or the capitalisation of profits or reserves, and other matters involving the calculation of shareholders' entitlements, where an aggregate calculation is not reasonably practicable, the Board of Directors may, to the extent necessary, calculate separately the entitlements of shareholders in respect of the portions of their H Shares held in certificated form and uncertificated form.

After the profit distribution plan is resolved at the general meeting of the Company, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the general meeting. The Company shall distribute dividends in the form of cash or shares.

After the Company pays income tax and makes up for losses from the previous year, the profits are allocated in the following order:

(1) Allocation to the statutory common reserve fund;

(2) Allocation to the discretionary reserve fund upon resolution of the general meeting;

(3) Pay dividends to shareholders as resolved at the general meeting.

The Company shall appoint a receiving agent for the holders of overseas listed foreign shares. The receiving agent shall receive on behalf of the relevant shareholders any dividends or other amounts payable by the Company in respect of the overseas listed foreign shares, and shall keep such amounts on behalf of such shareholders until payment to such holders.

The receiving agent appointed by the Company shall satisfy the requirements of the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved for the following reasons:

(1) the expiration as stipulated in the Articles or the occurrence of other events of dissolution as stipulated in the Articles;

(2) dissolution resolved by the general meeting;

(3) dissolution is necessary due to a merger or demerger of the Company;

(4) the business license of the Company is revoked, or the Company is ordered to close down or be revoked in accordance with the law;

(5) the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be solved in other ways, the shareholders holding 10% or more of total voting rights of the Company may request the people's court to dissolve the Company.

If the Company has the events of dissolution specified in the preceding paragraph, it shall, within 10 days, publicize the events of dissolution through the National Enterprise Credit Information Publicity System.

In the event of clauses (1) or (2) above, and the Company has not yet allocated assets to the shareholders, it may continue to exist by amending the Articles or upon resolutions of the general meeting.

Amendments to the Articles in accordance with the preceding paragraph shall be adopted by a vote of two-thirds or more of the voting shares held by all shareholders.

Where the Company is dissolved pursuant to items (1), (2), (4) or (5) above, it shall establish a liquidation group for liquidation within 15 days after the events of dissolution arise. The liquidation group shall be composed of directors or any other persons determined by a general meeting. If a liquidation group is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation group, the interested parties may apply to the people's court for setting up a liquidation group with designated relevant personnel to conduct the liquidation.

During the liquidation period, the liquidation group shall exercise the following functions and powers:

(1) to clean up the assets of the Company and prepare a balance sheet and an inventory of assets separately;

(2) to notify creditors and make a public announcement;

(3) to deal with the outstanding liquidation-related business of the Company;

(4) to pay outstanding taxes as well as taxes arising in the course of the liquidation;

(5) to settle creditors' rights and debts;

(6) to allocate the Company's remaining assets after the repayment of debts;

(7) to represent the Company in any civil proceedings.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and issue a public announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their rights to the liquidation group within 30 days from receipt of the notification or within 45 days from the date of the public announcement if they do not receive the notification.

Creditors, when filing their claims, shall state those claim-related issues and provide supporting documentation thereon. The liquidation group shall register such claims.

The liquidation group shall not settle the debts to creditors during the creditors' claim period.

After the liquidation group has liquidated the assets of the Company and has compiled a balance sheet and an inventory of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people's court for confirmation.

After the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes, and the debts owed by the Company, the remaining assets of the Company shall be distributed to the shareholders in proportion to their shareholding.

During the liquidation period, the Company subsists but may not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to the shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Upon liquidation of the Company's property and preparation of the required balance sheets and inventory of assets, if the liquidation group becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a bankruptcy liquidation in accordance with the laws.

After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation group shall prepare a liquidation report and submit it to the general meeting or a people's court for confirmation, and submit it to the Company registration authorities to apply for the cancellation of registration of the Company.

Members of the liquidation group shall perform liquidation duties and bear the duties of loyalty and diligence.

If members of the liquidation group neglect to perform their liquidation duties and cause losses to the Company, they shall be liable for compensation. If members of the liquidation group cause losses to the Company or its creditors due to willful misconduct or gross negligence, they shall be liable for compensation.

Liquidation of a Company declared bankrupt according to law shall be processed in accordance with the laws on corporate bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(1) Following the amendment to the Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles contradict the provisions of the amended laws or administrative regulations;

(2) There is any change to the Company's particulars which results in inconsistency with the matters set out in the Articles;

(3) The general meeting decides to amend the Articles of Association.

If the amendment to the Articles of Association adopted by a resolution of the general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of Company registration, the registration of the changes shall be made in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the general meeting on the amendments to the Articles of Association and the approval of the relevant competent authorities.

If amendments to the Articles constitute information required to be disclosed by laws and regulations, they shall be announced in accordance with regulations.

APPLICATION OF THE USM REGIME

For so long as the H Shares are prescribed securities, unless otherwise required by applicable laws, where any provision of the Articles of Association relating to H Shares conflicts with or is inconsistent with any provision of the uncertificated securities market regime, whether mandatory or enabling in nature, the latter shall prevail to the extent of such conflict or inconsistency. Where the Articles of Association are silent on any matter provided for under the uncertificated securities market regime, such matter shall be deemed to be required or permitted under the Articles of Association, as applicable. For these purposes, the uncertificated securities market regime includes the applicable laws, rules and regulations governing the evidencing, transfer, dematerialization, rematerialization or registration of prescribed securities, including the Securities and Futures Ordinance, the USM Rules, the rules and code governing approved securities registrars, the applicable rules of the Stock Exchange and HKSCC, and the operating rules of the Company's approved securities registrar.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on January 24, 2005 and was converted into a joint stock company with limited liability on March 28, 2016 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB59,048,614 divided into 59,048,614 Unlisted Shares with a nominal value of RMB1.00 each.

Our Company has established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on May 8, 2025. Ms. Tong Ka Kei (湯家錡), our joint company secretary, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in Share Capital of Our Company

On January 24, 2005, our Company was established as a limited liability company with a registered capital of RMB1,000,000. On March 28, 2016, our Company was converted into a joint stock company with limited liability, and our registered capital was RMB20,336,000 divided into 20,336,000 Shares with a nominal value of RMB1.00 each. As of the date of this prospectus, our registered capital was RMB59,048,614 divided into 59,048,614 Unlisted Shares with a nominal value of RMB1.00 each.

Upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), our issued share capital will increase to RMB65,609,614, made up of 24,582,400 Unlisted Shares and 41,027,214 H Shares fully paid up or credited as fully paid up, representing approximately 37.47% and 62.53% of our issued share capital, respectively.

Save as disclosed in "History, Development and Corporate Structure" in this prospectus, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries as of the Latest Practicable Date are set out in note 1 to the Accountants' Report.

The following sets out the changes in the registered capital of members of our Group within the two years immediately preceding the date of this prospectus:

Glotope

In December 2024, Glotope passed a shareholders' resolution for the increase of registered capital from RMB113,970,586 to RMB135,340,071 contributed by our Company and Jiequan Chengda. In September 2025, Glotope passed a shareholders' resolutions for the increase of registered capital from RMB135,340,071 to RMB139,610,071 contributed by an Independent Third Party. In May 2026, the registered capital of Glotope further increased to RMB149,098,134.

Sichuan Hengan

On July 16, 2025, Sichuan Hengan was established with a registered capital of RMB5 million contributed by our Company.

Sinotau Tianjin

On September 3, 2025, Sinotau Tianjin was established in the PRC as a limited liability company with registered capital of RMB150 million and is a wholly owned subsidiary of our Company.

Fluxmit USA Inc

On February 2, 2026, Fluxmit USA Inc was incorporated in the United States. On March 30, 2026, 500,000 shares of Fluxmit USA Inc were issued to Sinotau USA.

Glotope Wuxi

On June 1, 2026, the registered capital of Glotope Wuxi was increased from RMB71,428,571 to RMB171,428,571.

Glotope Zhongshan

On May 27, 2026, the registered capital of Glotope Zhongshan was increased from RMB63,000,000 to RMB103,000,000.

Glotope Mianyang

On June 24, 2026, the registered capital of Glotope Mianyang was increased from RMB60,000,000 to RMB260,000,000.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

4. Resolutions of the Shareholders

Pursuant to a general meeting of our Company held on April 27, 2025, the following resolutions, among others, were passed by our Shareholders:

(a) the issue by our Company of H Shares of a nominal value of RMB1.00 each and that such H Shares be listed on the Hong Kong Stock Exchange;

(b) that the number of H Shares to be issued shall not be more than 15% of the total issued share capital of our Company as enlarged by the Global Offering (before the exercise of the Over-allotment Option), and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board to handle all relevant matters relating to, among other things, the issue and listing of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contracts

We have entered into the following contracts (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) the Hong Kong Underwriting Agreement; and

(b) the share subscription agreement dated December 30, 2024 entered into by and among our Company, Jiangsu Jiequan Chengda Equity Investment Center (Limited Partnership) (江蘇聿泉成達股權投資中心(有限合夥)) ("**Jiequan Chengda**"), XU Xinsheng (徐新盛), XUE Fei (薛飛), Suzhou Qiming Rongxin Equity Investment Partnership (Limited Partnership) (蘇州啟明融信股權投資合夥企業(有限合夥)), CHU Wei (儲維), ZHANG Yingjie (張英傑), LIU Shuang (劉爽), Huaqing Bencao Nantong Equity Investment Center (Limited Partnership) (華清本草南通股權投資中心(有限合夥)), TANG Yanmin (唐艷旻), Shenzhen Mingde Weixin No. 9 Investment Partnership (Limited Partnership) (深圳市明德惟馨玖號投資合夥企業(有限合夥)), Shenzhen Wuming Boji Medical Healthcare Industry Investment Partnership (Limited Partnership) (深圳市物明博濟醫療健康產業投資合夥企業(有限合夥)), LI Jianxin (李建新), Suzhou Industrial Zone Qiming Rongchuang Equity Investment Partnership (Limited Partnership) (蘇州工業園區啟明融創股權投資合夥企業(有限合夥)), QI Hui (齊慧), LIU Rui (劉瑞), CHENG Haowen (程浩文), Shenzhen Mingde Weixin No. 1 Investment Partnership (Limited Partnership) (深圳市明德惟馨壹號投資合夥企業(有限合夥)), WANG Peng (王鵬), Shanghai Wanlong Investment Co., Ltd. (上海萬龍投資有限公司), ZOU Xianghong (鄒湘紅), MU Tianzhi (穆天之), MAO Ruijuan (毛瑞娟), ZHANG Di'ou (張迪歐), LI Yinqiang (李銀強), YANG Xuejuan (楊雪娟), LI Guangyao (李光耀), WAN Xiaojun (萬小軍), YANG Ke (楊克), LIAO Jidong (廖繼東), YAO Yizhu (姚奕竹), ZHANG Jinqian (張近前), ZHAO Lihong (趙麗虹), MA Donghua (馬冬花), GUO Zhiying (郭志穎), Jiaxing Weixin Yitian Equity Investment Partnership (Limited Partnership) (嘉興惟馨益田股權投資合夥企業(有限合夥)), LI Changju (李昌菊), LI Heng (李恒), LYU Yingying (呂英英), LIU Yiqun (劉一群), HAO Jin (郝晉), YANG Lifeng (楊麗鳳), ZHAO Rongrong (趙融融), LI Xiangping (李湘平), ZHANG Xiaoju (張曉菊), LIU Xuehu (劉學虎), ZHANG Ying (張英), LIU Yue (劉躍), LUAN Tian (欒天), CAO Fengqi (曹峰琦), ZHANG Zhixin (張志新), YAO Yabiao (姚亞彪), DONG Xiantao (董顯濤), CHEN Yanfeng (陳艷鋒), ZHANG Xusheng (張旭升), PENG Sha (彭莎), Beijing Sinotau Juli Technology Development Center (Limited Partnership) (北京先通聚力科技發展中心(有限合夥)), Shenzhen Wuming Futian Healthcare Industry Investment Partnership (Limited Partnership) (深圳市物明福田健康產業投資合夥企業(有限合夥)), Guoyao Zhongsheng (Shanghai) Biological Equity Investment Fund Partnership (Limited Partnership) (國藥中生(上海)生物股權投資基金合夥企業(有限合夥)), Shanghai Shengcheng Investment Management Partnership (Limited Partnership) (上海聖成投資管理合夥企業(有限合夥)), Beijing Hetang Life Science Innovation Fund (Limited Partnership) (北京荷塘生命科學原始創新基金(有限合夥)), Beijing Tongfu Innovation Industry Investment Fund Partnership (Limited Partnership) (北京同輻創新產業投資基金合夥企業(有限合夥)), Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership) (北京國科鼎智股權投資中心(有限合夥)), CICC Qide (Xiamen) Innovation Biomedical Venture Capital Partnership (Limited Partnership) (中金啟德(廈門)創新生物醫藥創業投資合夥企業(有限合夥)), Shanghai Longshen No. 6 Venture Capital Partnership (Limited Partnership) (上海隆申六號創業投資合夥企業(有限合夥)), Chengdu Deyi Xinhua Equity Investment Partnership (Limited Partnership) (成都得怡欣華股權投資合夥企業(有限合夥)), Tianjin Panya Equity Investment Fund Partnership (Limited Partnership) (天津盼亞股權投資基金合夥企業(有限合夥)), Beijing Yuanhui Ruize Phase 0 Venture Capital Partnership (Limited Partnership) (北京源慧睿澤零期創業投資合夥企業(有限合夥)), Langma No. 36 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十六號(深圳)創業投資中心(有限合夥)), Shenzhen Mingde Weixin No. 7 Investment Partnership (Limited Partnership)

(深圳市明德惟馨柒號投資合夥企業(有限合夥)), Jiangsu Wangao Pharmaceutical Co., Ltd. (江蘇萬高藥業股份有限公司), Beijing Yizhuang Pharmaceutical Small and Medium Enterprise Entrepreneurship Investment Center (Limited Partnership) (北京亦莊醫藥中小企業創業投資中心(有限合夥)), Tianjin Sinotau Juneng Technology Development Center (Limited Partnership) (天津先通聚能科技發展中心(有限合夥)), Tianjin Sinotau Juzhi Technology Development Center (Limited Partnership) (天津先通聚智科技發展中心(有限合夥)), Nanjing Zhengkai Entrepreneur Management Partnership (Limited Partnership) (南京鉦凱企業管理合夥企業(有限合夥)), Guotou (Guangdong) Technology Achievement Transformation Venture Capital Fund Partnership (Limited Partnership) (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥)), GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), Jiangxi Jilin Xinsheng Enterprise Management Co., Ltd. (江西濟麟鑫盛企業管理有限公司), Jiaxing Yaojin Equity Investment Partnership (Limited Partnership) (嘉興垚錦股權投資合夥企業(有限合夥)), Jiaxing Zhizheng Venture Capital Partnership (Limited Partnership) (嘉興知正創業投資合夥企業(有限合夥)), Wuxi Shanghang Industry Venture Capital Fund Partnership (Limited Partnership) (無錫尚行產業投資基金合夥企業(有限合夥)), Nanjing Enjie Venture Capital Partnership (Limited Partnership) (南京恩捷創業投資合夥企業(有限合夥)), Guangdong Yueke Great Health Venture Capital Center on the West Bank of the Pearl River (Limited Partnership) (廣東粵科珠江西岸大健康創業投資中心(有限合夥)), Zhongshan Talent Shuangchuang Development Investment Master Fund Partnership (Limited Partnership) (中山市人才雙創發展投資母基金合夥企業(有限合夥)), Tianjin Qingshi Zhenhe Biomedical Equity Investment Fund Partnership (Limited Partnership) (天津磬石臻和生物醫藥股權投資基金合夥企業(有限合夥)), Genertec Venture Capital Co., Ltd. (通用技術創業投資有限公司), Hebei Xiong'an Tongzi Zhongzhi Investment Management Partnership (Limited Partnership) (河北雄安通資眾智投資管理合夥企業(有限合夥)), China Structural Reform Fund II Corporation Limited (中國國有企業結構調整基金二期股份有限公司), Zhuhai Chunxiao Technology Co., Ltd. (珠海春曉科技有限公司), Zibo Boyu Zhiyuan Equity Investment Partnership (Limited Partnership) (淄博鉑宇致遠股權投資合夥企業(有限合夥)), Boyu Kuntong (Zibo) Equity Investment Partnership (Limited Partnership) (鉑宇坤桐(淄博)股權投資合夥企業(有限合夥)), Boyu Kexing (Zibo) Equity Investment Partnership (Limited Partnership) (鉑宇科興(淄博)股權投資合夥企業(有限合夥)), Zhongshan Jintou Venture Capital Fund Partnership (Limited Partnership) (中山金投創業投資發展基金(有限合夥)), Beijing Sinotau Juxin Technology Development Center (Limited Partnership) (北京先通聚鑫科技發展中心(有限合夥)), Beijing Sinotau Juhui Technology Development Center (Limited Partnership) (北京先通聚慧科技發展中心(有限合夥)), Central Enterprise Rural Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司), CITIC Securities Investment Co., Ltd. (中信證券投資有限公司), Wuxi Guolian Industrial Collaboration Investment Center (Limited Partnership) (無錫國聯產業協同投資中心(有限合夥)), Wuxi Jinyi Hongda Consulting Partnership (Limited Partnership) (無錫金易弘達諮詢服務合夥企業(有限合夥)), GoldStone New Material Fund, Chongqing Hetang Private Equity Investment Fund Partnership (Limited Partnership) (重慶荷塘私募股權投資基金合夥企業(有限合夥)) and Pharmaceutical Fund, pursuant to which Jiequan Chengda agreed to subscribe for 2,276,447 Shares at a total consideration of RMB200,000,000.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks in the PRC, which we consider to be material to our business:

No.	Trademark	Owner	Registration No.	Class	Validity Period
1	Glotope	Glotope	73610098	5	2024.03.07-2034.03.06
2	Glotope	Glotope	73598638	9	2024.03.07-2034.03.06
3	Glotope	Glotope	73603402	10	2024.03.07-2034.03.06
4	Glotope	Glotope	73589054	35	2024.03.07-2034.03.06
5	Glotope	Glotope	73608627	42	2024.03.07-2034.03.06
6		Glotope	74102636	5	2024.03.14-2034.03.13
7		Glotope	74116881	9	2024.03.14-2034.03.13
8		Glotope	74111960	10	2024.03.14-2034.03.13
9		Glotope	74121246	35	2024.03.14-2034.03.13
10		Glotope	74118063	42	2024.03.14-2034.03.13
11	先通	Our Company	19777950	5	2017.06.21-2037.06.20
12	先通	Our Company	65523881	5	2023.03.07-2033.03.06
13	先通	Our Company	65541888	10	2022.12.21-2032.12.20
14	先通	Our Company	65539808	9	2023.10.28-2033.10.27
15	先通	Our Company	65532836	42	2023.10.28-2033.10.27
16	Sinotau	Our Company	19777865	5	2018.02.28-2028.02.27
17		Our Company	19779737	5	2017.06.14-2037.06.13
18	欧韦达	Our Company	64361853	5	2022.10.21-2032.10.20
19	欧严宁	Our Company	64331858	5	2022.10.21-2032.10.20
20	欧维宁	Our Company	64365366	5	2022.12.28-2032.12.27
21	欧益宁	Our Company	64363274	5	2022.10.21-2032.10.20
22	欧达乐	Our Company	64361844	5	2022.10.21-2032.10.20
23		Our Company	66277232	5	2023.01.14-2033.01.13
24	欧韦宁	Our Company	64353793	5	2022.10.21-2032.10.20
25		Our Company	72525660	5	2023.12.21-2033.12.20
26		Our Company	74044963	5	2024.03.14-2034.03.13
27	先耐舒	Our Company	74849083	5	2024.04.14-2034.04.13
28	先耐平	Our Company	74873733	5	2024.05.07-2034.05.06

Patents and Patent Applications

As of the Latest Practicable Date, we held or in-licensed the following patents in connection with our Core Products, Key Products, and XTR005, which we consider to be material to our business:

Product Name	Patentee	Type	Patent Name	Inventors	Patent No.	Patent Expiration	Jurisdiction
XTR004	Our Company	Invention	A pyridazinone compound containing PEGylated benzyltriazole and its preparation method and application (一種含PEG化苄基三唑基的噠嗪酮類化合物及其製備方法和應用)	ZHANG Xianzhong, FANG Wei and MOU Tiantian	ZL201310052718.0	2033.02.18	China
XTR004	Our Company	Invention	Compound I liquid composition, preparation method, and its use (化合物I液體組合物、製備方法及其用途)	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	ZL202210778537.5	2042.07.04	China
XTR004	Our Company	Invention	Preparation method of liquid composition containing compound I and use thereof in myocardial perfusion PET imaging (含化合物I的液體組合物的製備方法及在心肌灌注PET顯像中的用途)	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	ZL202210778192.3	2042.07.04	China
XTR006	Merck Sharp & Dohme Corp.	Invention	Pyrrolo[2, 3-c] pyridines as imaging agents for neurofibrillary tangles (用作神經原纖維纏結顯像劑的吡咯並[2, 3-C]吡啶)	ABBAS WALJI, HOSTETLER ERIC, GRESHOCK THOMAS, LI Jing, MOORE KEITH P, BENNACEF IDRISS, MULHEARN JAMES, SELNICK HAROLD, WANG Yaode, YANG Kun and FU Jianmin	ZL201580031335.2	2035.06.09	China
XTR008	Our Company	Invention	A transfer device and method for transferring radioactive drug solution and use thereof (一種轉移放射性藥物溶液的轉移裝置、轉移方法及其用途)	DU Zetian, TIAN Jiale and YANG Guogui	ZL202210453125.4	2042.04.24	China
XTR008	Our Company	Invention	An online filter membrane integrity testing device and method, and use thereof (一種在線濾膜完整性測試裝置及方法、及其用途)	DU Zetian, HAO Jin, TIAN Jiale and YANG Guogui	ZL202210649808.7	2042.06.10	China
XTR008	Our Company	Invention and Utility Model	Online filter membrane integrity testing device and method, and its applications (在線濾膜完整性測試裝置及方法、及其用途)	DU Zetian, HAO Jin, TIAN Jiale and YANG Guogui	ZL202210649809.1/ ZL202221436204.6	2042.06.10/ 2032.06.10	China
XTR003	Our Company	Invention	Liquid composition containing compound I, preparation method and use thereof (包含化合物 I 的液體組合物、製備方法及用途)	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	ZL202210717201.8	2042.06.23	China

Product Name	Patentee	Type	Patent Name	Inventors	Patent No.	Patent Expiration	Jurisdiction
XTR003	Our Company	Invention	A preparation method of a liquid composition of compound I and its use in myocardial metabolism PET imaging (一種化合物 I 液體組合物的製備方法、及其在心肌代謝PET顯像上的用途)	WANG Yue, ZHANG Ying, ZHANG Aili and XU Xinsheng	ZL202210717190.3	2042.06.23	China
XTR003	Our Company	Invention	A new process for modifying fatty acid-based PET reagent precursors (一種修飾脂肪酸型PET試劑前體的新工藝路線)	XU Xinsheng and LIU Shuang	ZL201710250117.9	2037.04.17	China
XTR004	Our Company	Invention	Methods for the preservation of compound 1 and its applications (化合物1的保存方法及其應用)	YAN Han, HE Litao, and SONG Yujie	ZL202210378674.X	2042.04.12	China
XTR004	Our Company	Invention	Liquid composition of compound 1, preparation method therefor, and application thereof	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	JP7916041B2	2043.07.04	Japan
XTR004	Our Company	Invention	Preparation method for liquid composition containing compound I and used in myocardial perfusion pet imaging	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	JP7882557B2	2043.07.04	Japan
XTR005	Lantheus Biosciences Ltd.	Invention	METHOD FOR PRODUCTION OF F-18 LABELED AMYLOID BETA LIGANDS (生產F-18標記的β-澱粉樣蛋白配體的方法)	Mathias Berndt, Matthias Friebe, Christina Hultsch, Fabrice Samson, Marianne Patt, Andreas Schildan, Christoph Smuda	ZL201180027658.6	2031.05.30	China
XTR005	Lantheus Biosciences Ltd.	Invention	METHOD FOR PRODUCTION OF F-18 LABELED AMYLOID BETA LIGANDS	Mathias Berndt, Matthias Friebe, Fabrice Samson, Rainer Braun, Gunnar Garke, Marianne Patt, Andreas Schildan, Christoph Smuda	ZL201180027675.X	2031.05.30	China
XTR005	Lantheus Biosciences Ltd.	Invention	FORMULATIONS SUITABLE FOR PET IMAGING WITH HYDROPHOBIC PET AGENTS	Carsten Olbrich, Michael Krause, Andreas Burkhard	ZL201080059126.6	2030.12.22	China
XTR005	Lantheus Biosciences Ltd.	Invention	FORMULATIONS OF FLUORINATED STILBENE SUITABLE FOR PET IMAGING	Carsten Olbrich, Michael Krause, Andreas Burkhard, Annett RICHTER, Rainer Braun	ZL201280030986.6	2032.06.21	China

As of the Latest Practicable Date, we had applied for the following patent applications in connection with our Core Products and Key Products, which we consider to be material to our business:

Product Name	Applicant	Patent Application Type	Patent Application Name	Inventors	Patent Application No.	Application Date	Jurisdiction
XTR004	Our Company	Invention	Liquid composition of compound I, preparation method therefor, and application thereof (化合物I液體組合物、製備方法及其用途(美國))	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	US18/879,971	2023.07.04	U.S.
XTR004	Our Company	Invention	Liquid composition of compound I, preparation method therefor, and application thereof (化合物I液體組合物、製備方法及其用途(歐洲))	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	EP23834840.3	2023.07.04	Europe
XTR004	Our Company	Invention	Preparation method for liquid composition comprising compound I and use in myocardial perfusion PET imaging (含化合物I的液體組合物的製備方法及在心肌灌注PET顯像中的用途(美國))	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	US18/879,975	2023.07.04	U.S.
XTR004	Our Company	Invention	Preparation method for liquid composition containing compound I and use in myocardial perfusion PET imaging (含化合物I的液體組合物的製備方法及在心肌灌注PET顯像中的用途(歐洲))	WANG Yue; ZHANG Ying; ZHANG Aili; XU Xinsheng	EP23834842.9	2023.07.04	Europe
XTR008	Our Company	Invention	Lutetium (^{177}Lu) oxodotreotide injection and methods of preparing the same (鎦^{177}Lu奧索度曲肽注射液及其製備方法)	YANG Guogui; LIU Shuang; DU Zetian	202610786472.7	2026.06.02	China
XTR008	Our Company	Invention	A stable radiopharmaceutical formulation and methods of preparing the same (一種穩定的放射性藥物製劑及其製備方法)	YANG Guogui; LIU Shuang; DU Zetian	202610786471.2	2026.06.02	China
XTR008	Our Company	Invention	Methods of preparing high-purity 5-bromosalicylic acid and its use in preparing gentisic acid (高純度5-溴水楊酸的製備方法及其在龍膽酸製備中的應用)	CHEN Xiaoxu; CHEN Wenhui; YANG Guogui; LIU Shuang	202610811832.4	2026.06.06	China

Copyrights

As of the Latest Practicable Date, we did not have copyrights which we consider to be material to our business.

Domain Names

As of the Latest Practicable Date, we have registered the following domain names in the PRC, which we consider to be material to our business:

No.	Registered Owner	Domain Name	Registration Date	Expiry Date
1.	Our Company	sinotau.com	September 5, 2014	September 5, 2029
2.	Glotope	glotope.com	July 26, 2023	July 26, 2031

Save as disclosed above, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right which was material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following completion of the Global Offering (without taking into account the H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), so far as our Directors are aware, none of our Directors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Our Company

Name	Position	Nature of interest	Class and Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised)[1]	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised)[1]
Mr. Xu[2]	Executive Director, chairperson of the Board and general manager	Beneficial owner; Interests in controlled corporations; interest held jointly with another person	7,981,334 Unlisted Shares	32.47%	24.33%
			7,981,339 H Shares	19.45%	
Ms. Tang[2]	Executive Director and co-chief executive officer	Beneficial owner; interest held jointly with another person	7,981,334 Unlisted Shares	32.47%	24.33%
			7,981,339 H Shares	19.45%	
Mr. Chu[2]	Executive Director and vice president	Beneficial owner; interest held jointly with another person	7,981,334 Unlisted Shares	32.47%	24.33%
			7,981,339 H Shares	19.45%	
Mr. Wang[2]	Executive Director and co-chief executive officer	Beneficial owner; interest held jointly with another person	7,981,334 Unlisted Shares	32.47%	24.33%
			7,981,339 H Shares	19.45%	
ZHANG Yingjie (張英傑) ("**Dr. Zhang**")[2]	Non-executive Director	Beneficial owner; interests in controlled corporations	1,137,813 Unlisted Shares	4.63%	6.79%
			3,320,301 H Shares	8.09%	

Notes:

(1) The calculation is based on the total number of 24,582,400 Unlisted Shares in issue and 41,027,214 H Shares in issue upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) For details of interests of Mr. Xu, Ms. Tang, Mr. Chu, Mr. Wang and Dr. Zhang, see "Substantial Shareholders".

2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders" in this prospectus.

Save as set out below, our Directors are not aware of any other person (other than our Directors or chief executive) who will, immediately following completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company.

Our Subsidiary	Total Registered capital	Person with 10% or more interest	Approximate percentage of the interest in the subsidiary
	(RMB)		*(%)*
Glotope Advanced Pharmaceutical Technology Ltd (國通(成都)新藥技術股份有限公司)	149,098,134	Guotou (Guangdong) Technology Achievement Transformation and Entrepreneurship Investment Fund Partnership Enterprise (Limited Partnership) (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥))	19.73

3. Service Contracts

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term commencing on the date of the approval at the Company's general meeting and ending on the expiration of the term of office of the prevailing session of the Board (with respect to Directors) or a term commencing on the date of the approval at the Company's general meeting or the date of the employees' representative assembly (as the case may be); and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management" in this prospectus and note 8 to the Accountants' Report in Appendix I to this prospectus, for the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, none of our Directors received other remunerations of benefits in kind from us.

5. Employee Incentive Schemes

Our Company has adopted the Employee Incentive Schemes in April 2019 and January 2021 (further amended in April 2023, the "**Scheme I**") and June 2023 (the "**Scheme II**", together with the Scheme I, the "**Employee Incentive Schemes**"). The Employee Incentive Schemes do not involve any grant of share options or awards after the Listing and therefore is not subject to the provisions of Chapter 17 of the Listing Rules. Given the underlying Shares under the Employee Incentive Schemes have already been issued, there will not be any dilution effect to the issued Shares after the Listing.

The Company has established the Employee Shareholding Platforms, namely Beijing Sinotau Juli, Beijing Sinotau Juxin, Beijing Sinotau Juhui, Tianjin Sinotau Juneng and Tianjin Sinotau Juzhi, to implement the Employee Incentive Schemes. As of the Latest Practicable Date, the awards ("**Awards**") under the Employee Incentive Scheme have been fully granted and vested. For details of the grantees and the Employee Shareholding Platforms, please refer to "History, Development and Corporate Structure – Employee Incentive Schemes" in this prospectus.

The principal terms of the Employee Incentive Schemes are substantially similar and are summarized below.

(a) Objectives

The objectives of the Employee Incentive Schemes are to enhance corporate governance, establish long-term incentives, attract and retain talent, boost team cohesion and competitiveness, align interests of shareholders, company, and core team, and ensure long-term development and strategic goals.

(b) Administration

The Shareholders' meeting is responsible for considering and approving the adoption, amendment and termination of the Employee Incentive Schemes. The Board of Directors is responsible for approving the grant of Awards under the Employee Incentive Schemes. The general manager is responsible for the implementation and day-to-day administration of the Employee Incentive Schemes.

The Awards are held through the Employee Shareholding Platforms. Incentive participants become limited partners of such platforms by subscribing for or acquiring partnership interests and enter into partnership agreements with other partners to govern their respective rights and obligations.

(c) Eligibility

Eligible participants under Scheme I include:

- employees of the Group, including but not limited to senior and mid-level management, key employees, core technical personnel and other employees who have made outstanding contributions to the Group;
- special talents introduced by the Company, such as expert consultants; and
- other participants as approved by the Board of Directors.

Eligible participants under Scheme II include:

- employees of the Group, including but not limited to senior and mid-level management, key employees, core technical personnel and other employees who have made outstanding contributions to the Group; and
- other participants as approved by the Board of Directors.

(d) Grant of Awards

As of the Latest Practicable Date, an aggregate of 4,600,604 Unlisted Shares were issued to the Employee Shareholding Platforms. For further details of the interests in the Employee Shareholding Platforms, please refer to "History, Development and Corporate Structure – Employee Incentive Schemes" in this prospectus.

(e) Exercise Price of the Awards

The exercise price of the Awards under the Employee Incentive Schemes is RMB1.0 per underlying Shares.

(f) Lock-up Period

Unless otherwise provided under the Employee Incentive Schemes, incentive participants may not dispose of the underlying Shares prior to the Company's Listing. Following the Company's Listing, the underlying Shares will be subject to a lock-up period of one year for the Awards granted under the Scheme I, and three years for the Awards granted under the Scheme II, from the Listing Date (the "**Share Incentive Lock-up Periods**"). During the Share Incentive Lock-up Periods, the underlying Shares and the corresponding partnership interests in the Employee Shareholding Platforms may not be transferred, pledged, sold, used as security, or otherwise disposed of.

6. Cancellation of Supervisors [Note]

The Board shall establish an Audit Committee, which shall exercise the powers and duties of the supervisory committee as stipulated in the PRC Company Law and our Company will have no supervisors upon the Listing.

7. Disclaimers

(a) Save as disclosed in this section and the section headed "History, Development and Corporate Structure" in this prospectus, none of our Directors and the parties listed in the paragraph headed "– Other Information – 5. Qualifications of Experts" in this Appendix is:

(i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or

(ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business.

(b) Save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in the paragraph headed "– Other Information – 5. Qualifications of Experts" in this Appendix:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.

(c) Save as disclosed in this section and the section headed "Directors and Senior Management" in this prospectus, none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

(d) So far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued Shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

Note:

Pursuant to the Article 121 of the Company Law of the People's Republic of China (Revised in 2023), a joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the board of supervisors as provided for in this law. It may not have a board of supervisors or supervisors. For the purpose of optimizing our Group's management structure and personnel appointment consideration and arrangement, the Shareholders' general meeting held on April 27, 2025 has approved the cancellation of the board of supervisors of our Company (effective from the Listing Date).

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

At least one of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules, see the section headed "Underwriting – Independence of the Joint Sponsors" for details. The Joint Sponsors will receive a fee of US$1.0 million in aggregate to act as a sponsor to our Company in connection with the Global Offering.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
GF Capital (Hong Kong) Limited	A licensed corporation under the SFO for Type 6 (advising on corporate finance) of the regulated activity as defined under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Zhong Lun Law Firm	Company's PRC legal adviser
Hogan Lovells Cadwalader International LLP	International Sanctions Legal Advisor
China Insights Industry Consultancy Limited	Independent industry consultant
Zhong Lun Law Firm	the Company's IP legal adviser
Princeton IP Law LLC	the Company's U.S. IP legal adviser

6. Consents

Each of the experts as referred to in the paragraph headed "– Other Information – 5. Qualifications of Experts" in this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, see Appendix III to this prospectus.

(2) Consultation with professional advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in the financial or trading position of our Company since June 30, 2026 (being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report).

9. Promoters

The promoters of our Company are all then 13 shareholders of our Company as of March 28, 2016, namely Mr. Xu, Xue Fei, Chu Wei, Ms. Tang, Zhang Yingjie, Liu Shuang, Qi Hui, Liu Rui, Mu Tianzhi, Zou Xianghong, Zhang Di'ou, Wang Peng and Mao Ruijuan, before our conversion into a joint stock company with limited liability. Save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

10. Restrictions on Repurchase

For details, see Appendices IV and V to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this prospectus:

(a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;

(b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) our Company is not presently listed on any stock exchange or traded on any trading system; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) copies of each of the material contracts referred to in the paragraph headed "Further Information about the Business of Our Company – 1. Summary of Material Contracts" in Appendix VI to this prospectus; and

(ii) the written consents referred to in the paragraph headed "Other Information – 6. Consents" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.sinotau.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the each of the financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026;

(d) the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(e) the industry report issued by China Insights Industry Consultancy Limited referred to in the section headed "Industry Overview" in this prospectus;

(f) the PRC legal opinion issued by Zhong Lun Law Firm, our legal adviser as to PRC laws, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(g) the legal memorandum issued by Hogan Lovells Cadwalader International LLP, our International Sanctions Legal Advisor, in respect of, among other things, the risk of exposure and potential penalties imposed under the International Sanctions laws and regulations;

(h) the intellectual property legal opinion and freedom to operate report issued by Zhong Lun Law Firm, our IP Legal Advisors, in respect of, among other things, the intellectual property of our Company;

(i) the intellectual property legal opinion issued by Princeton IP Law LLC, our U.S. IP Legal Advisors, in respect of, among other things, the intellectual property of our Company;

(j) the material contracts referred to in the paragraph headed "Further Information about the Business of Our Company – 1. Summary of Material Contracts" in Appendix VI to this prospectus;

(k) the service contracts referred to in the paragraph headed "Further Information about Our Directors and Substantial Shareholders – 3. Service Contracts" in Appendix VI to this prospectus;

(l) the written consents referred to in the paragraph headed "Other Information – 6. Consents" in Appendix VI to this prospectus; and

(m) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by the CSRC together with unofficial English translations thereof.

Sinotau 先通医药