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刊發發售通函

XtalPi
晶泰科技
XtalPi Holdings Limited
晶泰控股有限公司
(於開曼群島註冊成立之有限公司)
(股份代號：2228)

2,866,000,000港元於2027年到期的零息可轉換債券
(「債券」)
(股份代號：40064)

獨家全球協調人
J.P.Morgan

聯席賬簿管理人

J.P.Morgan

Goldman
Sachs

BofA SECURITIES 

本公告乃由晶泰控股有限公司(「本公司」)根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第37.39A條而作出。

茲提述本公司日期為2026年1月28日，內容有關債券於聯交所上市的通告。有關債券之詳情，請參閱隨附日期為2026年1月23日的發售通函(「發售通函」)。發售通函僅以英文刊發。

誠如發售通函所披露，債券僅供專業投資者(定義見上市規則第37章)購買，並已按此基礎於聯交所上市。

發售通函並不構成向任何司法權區的公眾人士提呈出售任何證券的招股章程、通告、通函、宣傳冊或廣告，亦非邀請公眾人士提呈認購或購買任何證券的要約，且亦非供傳閱以邀請公眾人士提呈認購或購買任何證券的要約。

承董事會命
晶泰控股有限公司
董事會主席兼執行董事
溫書豪博士

香港，2026年1月29日

於本公告日期，董事會成員包括執行董事溫書豪博士、馬健博士、賴力鵬博士及蔣一得博士；以及獨立非執行董事羅卓堅先生、陳穎琪女士及周明笙先生。

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the “**Offering Circular**”). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer (as defined in the attached Offering Circular) or from J.P. Morgan Securities (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited (each a “**Manager**”, and together, the “**Lead Managers**”) as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer and the Lead Managers that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”); (2) the e-mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the United States, its territories or possessions; (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission; (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are not a “connected person” (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Issuer, which includes but is not limited to any director, chief executive or substantial shareholder of the Issuer or any of its subsidiaries or any associate of any of them within the meaning of the Listing Rules; and (5) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are, and will immediately after completion of the offering of such securities be, independent of and not acting in concert with, any of such connected persons in relation to the control of the Issuer.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Lead Managers, the Trustee (as defined in the attached Offering Circular) and the Agents (as defined in the attached Offering Circular) or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Lead Managers will provide a hard copy version to you upon request.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Lead Managers or any respective affiliates of the Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

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XTALPI HOLDINGS LIMITED

晶泰控股有限公司

(incorporated in the Cayman Islands with limited liability)

(as "Issuer")



(Stock Code: 2228)

HK\$2,866,000,000 Zero Coupon Convertible Bonds due 2027

Issue Price: 100 per cent.

HK\$2,866,000,000 zero coupon convertible bonds due 2027 (the "Bonds") will be issued by XtalPi Holdings Limited 晶泰控股有限公司 (the "Issuer").

The Bonds will constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 4(a) (*Negative Pledge*) of the terms and conditions of the Bonds (the "Terms and Conditions" or the "Conditions")) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) (*Negative Pledge*) of the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) at any time on or after 10 March 2026 up to the close of business (at the place where the Certificate (as defined in the Terms and Conditions) representing such Bond is deposited for conversion) on the seventh working day (as defined in the Terms and Conditions) prior to the Maturity Date (as defined below) (both days inclusive) into fully paid ordinary shares of par value of US\$0.00001 each issued by the Issuer (the "Shares") which are traded in HK dollars on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") at an initial conversion price of HK\$13.85 per Share. The conversion price is subject to adjustment in the circumstances described under "Terms and Conditions of the Bonds — Conversion". The Closing Price (as defined in the Terms and Conditions) of the Shares on the Hong Kong Stock Exchange on 7 January 2026 was HK\$11.54 per Share.

The Bonds will be zero coupon and will not bear interest unless, upon due presentation thereof, payment of principal or premium (if any) is improperly withheld or refused.

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at 101.76 per cent. of its principal amount on 26 January 2027 (the "Maturity Date"). On giving not less than 30 nor more than 60 days' notice, the Issuer may also redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount (as defined in the Terms and Conditions) if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further bonds issued in accordance with Condition 15 (*Further Issues*) of the Terms and Conditions and consolidated and forming a single series with the Bonds). The Bonds may also be redeemed, at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice, at their Early Redemption Amount if as a result of changes relating to tax laws in any Relevant Tax Jurisdiction (as defined in the Terms and Conditions) on or after 7 January 2026, the Issuer has or will become obligated to pay Additional Tax Amounts (as defined in the Terms and Conditions), as further described in the Terms and Conditions, subject to the non-redemption option of each holder after the exercise by the Issuer of its tax redemption option as described in the Terms and Conditions. The holder of each Bond will also have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds at their Early Redemption Amount on the Relevant Event Redemption Date (as defined in the Terms and Conditions) following the occurrence of a Relevant Event (as defined in the Terms and Conditions). See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation".

The denomination of the Bonds shall be HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof. The Issuer has undertaken to file or report or cause to be filed with the China Securities Regulatory Commission and/or its local branches or offices (the "CSRC") within the relevant prescribed timesframes after 28 January 2026 (the "Issue Date") the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined in the Terms and Conditions) (the "CSRC Post-Issuance Filings", which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined in the Terms and Conditions)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) ("Professional Investors") only; and (ii) the listing of, and permission to deal in, the Shares issuable on conversion, and such permissions are expected to become effective on 29 January 2026 and when such Shares are issued, respectively. This document is for distribution to Professional Investors only. This Offering Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Issuer, or the Issuer and its subsidiaries (the "Group"), or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, 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 document.

Investing in the Bonds and the Shares involves certain risks. Investors should be aware that there are risks relating to the exercise of the Conversion Right (as defined in the Terms and Conditions) attached to the Bonds, and there are various other risks relating to the Bonds, the Issuer, the Group, its businesses and their respective jurisdiction of operations which investors should familiarise themselves with before making an investment in the Bonds. See "Risk Factors".

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or other securities laws and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

The Bonds will initially be represented by a global certificate (the "Global Certificate") in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See "Summary of Provisions relating to the Bonds while in Global Form".

Sole Global Coordinator

J.P. Morgan

Joint Bookrunners

J.P. Morgan

Goldman Sachs

BofA Securities

The date of this Offering Circular is 23 January 2026.

IMPORTANT NOTICE

PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Offering Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong or elsewhere. Investors are advised to exercise caution in relation to the offering of the Bonds described herein. If investors are in any doubt about any of the contents of this Offering Circular, they should obtain independent professional advice.

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer and the Group and to the Bonds and the Shares, which is material in the context of the issue and offering of the Bonds (the “**Offering**”) (including the information which is required by applicable laws and according to the particular nature of the Issuer, the Shares and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the Shares and the Bonds), (ii) the statements or facts contained in this Offering Circular relating to the Issuer and the Group are in every material particular true and accurate and not misleading, (iii) this Offering Circular does not contain any untrue statement or omit to state a material fact in relation to Issuer, the Group, the Shares and the Bonds necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular. The Issuer accepts full responsibility for the information contained in this Offering Circular.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Bonds described in this Offering Circular and may not be reproduced, redistributed or made available in whole or in part to any other person for any purpose. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of J.P. Morgan Securities (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited (each a “**Lead Manager**”, and together, the “**Lead Managers**”) or the Issuer to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the European Economic Area (the “**EEA**”), the PRC, Hong Kong, Singapore, the Cayman Islands and Japan, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing.

Each prospective investor acknowledges that it is purchasing the Bonds for its own account and not with a view to distribution thereof, and it is, or at the time of its purchase will be, the beneficial owner of the Bonds purchased and (i) outside the United States; and (ii) not an affiliate of the Issuer or a person acting on behalf of such an affiliate. Each prospective investor acknowledges that its purchase of the Bonds is lawful under the securities laws of the jurisdiction in which such prospective investor accepts the offer to purchase the Bonds.

The completion of the Offering is subject to the satisfaction and/or waiver of customary conditions precedent and the Lead Managers may exercise their discretion to terminate the transaction for reasons set forth in the Subscription Agreement (as defined below). Each person receiving this Offering Circular represents and acknowledges that the Lead Managers will not be held liable for any damages as a result of non-completion of the Offering or for the exercise of such rights or discretion.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group or the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Lead Managers, The Bank of New York Mellon, London Branch as the trustee (the “**Trustee**”) or the Agents (as defined in the Terms and Conditions) or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

None of the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them has separately verified the information contained in this Offering Circular and none of them can give any assurance that such information is accurate, truthful or complete. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted, by the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or of any such information or for any other statement, made or purported to be made by the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Group or the issue and offering of the Bonds or the Shares. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, recommendation, representation or warranty, express or implied, by the Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Issuer, the Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

Each prospective investor agrees not to hold the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them responsible for any misstatements in or omissions from this Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on any investigation or due diligence conducted by the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the Group and the merits and risks involved in investing in the Bonds.

Each prospective investor acknowledges that it has such knowledge and experience in financial, business and international investment matters such that it is capable of evaluating the merits and risks of investing in the Bonds and understands that entering into the Offering involves a high degree of risk and that the Bonds are a speculative investment. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds. Each prospective investor acknowledges that the Shares are listed on the Hong Kong Stock Exchange and the Issuer is therefore required to publish certain business and financial information in accordance with the rules and practices of the Hong Kong Stock Exchange, which includes, among other things, descriptions of the Group's principal activities, and the balance sheets, income statements and cash flow statements and other information relating to the Group which is necessary to enable holders of the Shares and the public to appraise the position of the Issuer and the Group, and each prospective investor is able to obtain

or access such information without undue difficulty. Nothing herein shall be construed as a recommendation to each such person to purchase the Bonds. To the fullest extent permitted by law, none of the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular.

Each of the Lead Managers, the Trustee and the Agents and each of their respective directors, officers, employees, agents, representatives, affiliates and advisers and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them undertakes to review the Issuer's or the Group's business, financial condition, results of operations, prospects or affairs after the date of this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them.

The Trustee shall not be responsible or have any liability for the recitals, statements, warranties or representations of any other party contained in the Trust Deed (as defined in the Terms and Conditions), the Agency Agreement (as defined in the Terms and Conditions) or any other document entered into in connection with the Bonds and, and the Trustee shall be entitled to assume the accuracy and correctness thereof for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence in the Trust Deed, the Agency Agreement or any such other agreement or document referred to above.

In connection with the offering of the Bonds, the Lead Managers and/or its affiliates, or affiliates of the Issuer, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Lead Managers and/or its affiliates, or affiliates of the Issuer, as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, 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 Offering Circular.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that in the context of this offering of the Bonds, the Lead Managers are "capital market intermediaries" (the "CMI") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on the CMI, which require the attention and cooperation of prospective investors.

The CMI may also be acting as "overall coordinator" (the "OC") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or the CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders. If a prospective investor is an asset management arm affiliated with any Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Lead Manager or its group company has more than a 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by the CMI in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with the Lead Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the Lead Manager when placing such order and such order will be subject to applicable requirements in accordance with the SFC Code. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by the CMI (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by any Lead Manager and/or any other third parties as may be required by the SFC Code, including to the Issuer, the OC, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Industry and Market Data

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer believes the information to be reliable, it has not been independently verified by the Issuer, the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them and none of the Issuer, the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Group and the terms of this offering and the Bonds, including the merits and risks involved. Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that,

as far as the Issuer is aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding the Issuer’s and the Group’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Issuer or the Group participates or is seeking to participate, and any statements preceded by, followed by or that include the words “aim”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” or similar expressions or the negatives thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Issuer’s or the Group’s control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer’s and the Group’s present and future business strategies and the environment in which the Issuer or the Group will operate in the future. Important factors that could cause the Issuer’s or the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- the Issuer’s business prospects;
- future developments, trends and conditions in the industries and markets in which the Issuer operates;
- the Issuer’s strategies, plans, objectives and goals and the Issuer’s ability to successfully implement these strategies, plans, objectives and goals;
- general economic, political and business conditions in the markets in which the Issuer operates;
- changes to the regulatory environment and general outlook in the industries and markets in which the Issuer operates;
- the Issuer’s financial condition and operating results and performance;
- the effects of the global financial markets and economic crisis;
- the Issuer’s ability to reduce costs and offer competitive prices;
- the Issuer’s ability to attract customers and build its brand image;
- the Issuer’s dividend policy;
- the Issuer’s ability to attract and retain senior management and key employees;
- the amount and nature of, and potential for, future development of the Issuer’s business;
- capital market developments;
- the actions and developments of the Issuer’s competitors;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- certain statements in “Description of the Issuer” and “Summary Consolidated Financial Information” with respect to trends in prices, operations, margins, overall market trends, and risk management; and
- other statements in this Offering Circular that are not historical facts.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and elsewhere in this Offering Circular. The Issuer cautions investors not to place undue reliance on these forward-looking statements which reflect its managements’ view only as at the date on which it is made. None of the Issuer, the Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (a), (b) and (c) filed with and published on the Hong Kong Stock Exchange are deemed to be incorporated by reference into, and to form part of, this Offering Circular:

- (a) the audited consolidated historical financial information of the Group in the accountant's report dated 4 June 2024 (the "**Historical Financial Information**");
- (b) the audited consolidated financial statements of the Group as of and for the year ended 31 December 2024; and
- (c) the unaudited condensed consolidated interim financial information of the Group as of and for the six months ended 30 June 2025.

The financial statements of the Group for the years ended 31 December 2021, 2022 and 2023, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB").

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer and the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a subsequent statement contained in another incorporated document herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The documents incorporated herein by reference are available electronically through the internet from the Hong Kong Stock Exchange.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision.

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SUMMARY

The following summary is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in the “Terms and Conditions of the Bonds” or elsewhere in this Offering Circular have the same meanings in this summary.

The Issuer is a quantum physics based innovative R&D platform that leverages AI enabled *in silico* tools alongside robotics enabled laboratory automation. The Issuer adopts a combination of quantum physics-based first-principles calculation, AI, high performance cloud computing and scalable and standardised robotic automation to provide drug and material science R&D solutions and services to global and domestic companies in the pharmaceutical and material science (including agritech, energy and new chemicals, and cosmetics) industries and beyond.

Established in 2015 by three postdoctoral physicists at the Massachusetts Institute of Technology (“MIT”), underpinned by its quantum physics-based first-principles calculation and AI capabilities, the Issuer seeks to transform the way drugs and new materials are designed and discovered at a pace and scale beyond traditional alternatives. In 2016, the Issuer participated in a global crystal structure prediction (“CSP”) blind test held by Pfizer and achieved accurate prediction, which led to the Issuer’s long-term strategic master partnership in technological innovation and drug R&D with Pfizer. Since then, the Issuer has gradually become a global leader in terms of technological advantages in providing computational solid-state R&D services. Its CSP capability and long-lasting cooperation with Pfizer eventually enabled the Issuer to help shorten the time needed to confirm the optimal crystalline drug form for use in the development and production of Paxlovid, the world’s first FDA-approved oral treatment for COVID-19.

As CSP and drug design and discovery share similar fundamental methodologies and problem-solving patterns where target functions are deployed to search for solutions within a vast array of possible outcomes, the Issuer naturally expanded into the drug R&D industry driven by its customers’ evolving needs. To validate the compounds generated from its drug R&D activities, the Issuer built its wet lab experimental capabilities. Along with its rapid business growth, the Issuer had increasing customer demand for compound synthesis, which is one of the most time-consuming and costly parts of the entire drug R&D process. To expedite its synthesis process and further scale its business, the Issuer further developed robotic automation in its wet lab to enable scalable, flexible, multi-project, faster and more cost-efficient experiment cycles. As it functions as a molecular search engine, the Issuer has been able to explore the applicability of novel molecular-level material design and discovery in a wide array of industries.

The Issuer has established a proprietary integrated technology platform, which incorporates high performance cloud computing-powered *in silico* tools, including quantum physics-based first-principles calculation and AI, for dry lab calculation and evaluation, and wet lab experimentation with robotic automation. Its platform is designed to improve dry lab calculations with experimental data generated by its wet lab and to enhance the efficiency of its wet lab with insights derived from dry lab calculations. Its wet lab accumulates large-scale, high-quality and consistent data to provide the foundation for the formation of its closed-loop large models, containing perception, generation, prediction, decision-making, planning and execution.

The Issuer has made significant contributions in the field of drug design and discovery by improving speed, scale, novelty and success rate since 2018. It has recently expanded its business into the field of material science (such as the design and discovery of bio-based materials, novel chemical compounds for agritech applications, new chemical surfactants and catalysts, and cosmetics products) and automation (such as automated chemical synthesis) and is focused on continuing to expand this business going forward.

The Issuer has a diverse customer base, ranging from start-ups to global biotechnology and pharmaceutical companies. With operations in both China and the U.S., the Issuer strives to take advantage of the best capabilities and resources available to it in each region to meet the evolving needs of its customers and collaborators and academic partners. The Issuer has well-established and longstanding relationships with many of the world's leading biotechnology and pharmaceutical conglomerates, such as Pfizer, Eli Lilly, Johnson & Johnson, UCB and Sinopec Shanghai Research Institute, many of which are its repeat customers. Since its founding, the Issuer has received substantial investments and support from world-renowned private equity and strategic investors, including HongShan, Mirae Asset, Google, Tencent, China Life Chengda and 5Y Capital.

As of 30 June 2025, the Issuer had more than 700 scientists and technologists, including engineers, biologists, medicinal chemists and programmers, with experience in leading global academic institutions and well-recognised industry participants. The Issuer also had 247 granted patents, and five R&D facilities with more than 10,000 sq. m. of lab space, as of the same date.

THE OFFERING

The following summary contains basic information about the Bonds and is not intended to be complete. It does not contain all the information that is important to investors. For a more complete description of the Bonds, please refer to the section of this Offering Circular entitled "Terms and Conditions of the Bonds". Phrases used in this summary and not otherwise defined shall have the meaning given to them in the section entitled "Terms and Conditions of the Bonds".

Issuer	XtalPi Holdings Limited 晶泰控股有限公司
Bonds	HK\$2,866,000,000 zero coupon convertible bonds due 2027 convertible at the option of the holder thereof into fully paid ordinary Shares of the Issuer of par value of U.S.\$0.00001 each at the initial conversion price of HK\$13.85 per Share.
Issue Price	100 per cent. of the principal amount of the Bonds.
Form and Denomination of Bonds	The Bonds will be issued in registered form in the specified denomination of HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof.
Interest	The Bonds will be zero coupon and will not bear interest.
Issue Date	28 January 2026.
Maturity Date	26 January 2027.
Negative Pledge	So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries (as defined in the Terms and Conditions) (other than Listed Subsidiaries (as defined in the Terms and Conditions)) will, create or permit to subsist any Security Interest (as defined in the Terms and Conditions) (other than Permitted Security Interest (as defined in the Terms and Conditions)) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness (as defined in the Terms and Conditions), or to secure any Guarantee (as defined in the Terms and Conditions) of Relevant Indebtedness without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith or (ii) providing such other security for the Bonds as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.
Status	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.
Taxation	All payments made by the Issuer under or in respect of the Bonds and the Trust Deed will be made free from any set-off,

counterclaim, restriction or condition and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by (a) any jurisdiction where the Issuer is organised or otherwise considered by a taxing authority to be resident for tax purposes or any political organisation or governmental authority thereof or therein having power to tax or (b) Hong Kong, or any political organisation or governmental authority thereof or therein having power to tax ((a) and (b) of Condition 9 (*Taxation*) of the Terms and Conditions each, a “**Relevant Tax Jurisdiction**”), unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts (the “**Additional Tax Amounts**”) as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond in circumstances specified in Condition 9 (*Taxation*) of the Terms and Conditions. See “*Terms and Conditions of the Bonds — Taxation*”.

Conversion Right and Period

Subject as provided in the Terms and Conditions, each Bond shall entitle the holder to convert such Bond into Shares (the “**Conversion Right**”). Subject to, and upon compliance with, the provisions of Condition 6 (Conversion) of the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after 10 March 2026 (A) up to the close of business (at the place where the Certificate representing such Bond is deposited for conversion) on the seventh working day prior to the Maturity Date (both days inclusive) (but except as provided in Condition 6(a)(iv) (*Revival and/or Survival after Default*) of the Terms and Conditions, in no event thereafter); (B) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof; or (C) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) of the Terms and Conditions then up to the close of business (at the place aforesaid) on the business day (in the place aforesaid) prior to the giving of such notice; provided that the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as otherwise provided in the Terms and

	<p>Conditions. See “<i>Terms and Conditions of the Bonds — Conversion — Conversion Right</i>”.</p>
Conversion Price	<p>The price at which Shares will be issued upon conversion will initially be HK\$13.85 per Share but will be subject to adjustment in the manner provided in Condition 6(c) (<i>Adjustments to Conversion Price</i>) of the Terms and Conditions and/or Condition 6(d) (<i>Adjustment upon Change of Control</i>) of the Terms and Conditions, as applicable. See “<i>Terms and Conditions of the Bonds — Conversion</i>”.</p>
Redemption at Maturity	<p>Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at 101.76 per cent. of its principal amount on the Maturity Date. See “<i>Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Maturity</i>”.</p>
Redemption for Taxation Reasons	<p>The Bonds may be redeemed, at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “Tax Redemption Notice”) to the Bondholders in accordance with Condition 16 (<i>Notices</i>) of the Terms and Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, at their Early Redemption Amount on the date specified in the Tax Redemption Notice for redemption (the “Tax Redemption Date”), if immediately prior to the giving of such notice the Issuer satisfies the Trustee that (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (<i>Taxation</i>) of the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations or rulings (including a holding by a court of competent jurisdiction) of any Relevant Tax Jurisdiction (as defined in the Terms and Conditions), or any change in the general application or official interpretation of such laws regulations or rulings, which change or amendment becomes effective on or after 7 January 2026, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) of the Terms and Conditions, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed. Upon a Bondholder electing not to have its Bond(s) redeemed in such circumstances, then subject as provided in the Terms and Conditions any payments due after the relevant date of redemption shall be made subject to any deduction or</p>

withholding of any taxation required to be deducted or withheld. See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Taxation Reasons*”.

Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 16 (*Notices*) of the Terms and Conditions (which notice will be irrevocable) and in writing to the Trustee and the Principal Agent, the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount *provided that* prior to the date upon which notice of such redemption is published, the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further bonds issued pursuant to Condition 15 (*Further Issues*) of the Terms and Conditions and consolidated and forming a single series with the Bonds). See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Issuer*”.

Redemption for Delisting, Suspension of Trading or Change of Control

Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Bonds on the Relevant Event Redemption Date at their Early Redemption Amount as at the Relevant Event Redemption Date.

A “**Relevant Event**” occurs:

- (i) when the Shares cease to be listed or admitted to trading or are suspended (other than for a temporary suspension) for trading for a period equal to or exceeding 30 consecutive Trading Days (as defined in the Terms and Conditions) on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Delisting**”); or;
- (ii) when there is a Change of Control (as defined in the Terms and Conditions).

See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Delisting, Suspension of Trading or Change of Control*”.

Issuer Lock-up

The Issuer has agreed in the Subscription Agreement (as defined below) that neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible

into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Managers between the date hereof and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds, (ii) the issuance of the New Shares (as defined below) as a result of conversion of the Bonds or (iii) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Issuer pursuant to any employee share scheme or plan existing as at the date of the Subscription Agreement.

Events of Default

The Bonds will contain events of default as further described in Condition 10 (*Events of Default*) of the Terms and Conditions. See “*Terms and Conditions of the Bonds — Events of Default*”.

Cross Default

The Bonds are subject to a cross-default provision in respect of (i) any Indebtedness (as defined in the Terms and Conditions) of the Issuer or any of its Subsidiaries (as defined in the Terms and Conditions) is not paid when due or (as the case may be) within any applicable grace period; (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness, provided that the aggregate amount of the relevant Indebtedness and Guarantees in respect of which one or more of the events mentioned above in Condition 10(d) (*Cross-default of Issuer or Subsidiary*) of the Terms and Conditions have occurred equals or exceeds U.S.\$25,000,000 or its equivalent in any other currency or currencies. See “*Terms and Conditions of the Bonds — Events of Default — Cross-default of Issuer or Subsidiary*”.

Further Issues	The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the timing for submitting the CSRC Post-Issuance Filings and the corresponding notification to the Trustee and the Bondholders thereof) so as to be consolidated and form a single series with the Bonds. See “ <i>Terms and Conditions of the Bonds — Further Issues</i> ”.
Clearing Systems	The Bonds will be cleared through Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book entry transfer between their respective account holders.
Governing Law and Jurisdiction	English law with the exclusive jurisdiction of Hong Kong courts.
Legal Entity Identifier of the Issuer	8368004IS42UJ5SVEV76
Listing and Trading of the Bonds	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on 29 January 2026.
Listing of Shares	The Shares are listed on the Hong Kong Stock Exchange. Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares issuable upon conversion of the Bonds (the “ New Shares ”).
Trustee	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Principal Paying Agent and Principal Conversion Agent (collectively, the “Principal Agent”)	The Bank of New York Mellon, London Branch.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Bonds in, among others, the United States, the United Kingdom, the EEA, the PRC, Hong Kong, Singapore, the Cayman Islands and Japan. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “ <i>Subscription and Sale</i> ”.
Global Certificate	For as long as the Bonds are represented by the Global Certificate and the Global Certificate is deposited with a common depositary for Euroclear and Clearstream, payments of principal and premium (if any) in respect of the Bonds represented by the Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to

	Bondholders for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Bonds, see “ <i>Risk Factors</i> ”.
ISIN	XS3267872995
Common Code	326787299

Note:

*Concurrent with the Offering, the Lead Managers have conducted a delta placement of Shares to facilitate hedging for the investors participating in the Offering (the “**Concurrent Delta Placement**”).*

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables summarise the consolidated financial data as of and for the years indicated. The summary consolidated financial information as of and for the years ended 31 December 2022, 2023 and 2024 have been derived from the Group's consolidated Historical Financial Information and the Group's consolidated financial statements as of and for the year ended 31 December 2024, which are incorporated by reference into this Offering Circular. The Historical Financial Information has been reported on by PricewaterhouseCoopers, the reporting accountant of the Issuer in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by Hong Kong Institute of Certified Public Accountants. The financial statements of the Group for the years ended 31 December 2021, 2022 and 2023, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB"). The Group's consolidated financial statements as of and for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, the independent auditor of the Issuer. The Historical Financial Information and the consolidated financial statements have been prepared and presented in accordance with IFRS. The Group's unaudited condensed consolidated interim financial information as of and for the six months ended 30 June 2025 has been reviewed by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB.

The summary consolidated financial information as of and for the six months ended 30 June 2025 and 2024 and the consolidated balance sheet data as of 30 June 2025 have been derived from the Group's unaudited condensed consolidated interim financial information as of and for the six months ended 30 June 2025, which contained the Group's unaudited condensed consolidated interim financial information the six months ended 30 June 2024 as comparative information, incorporated by reference into this Offering Circular. Such financial information has not been audited and should not be relied upon by potential investors to provide the same type or quality of information associated with information that has been subject to an audit. Investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. The Group's historical results for any prior period do not necessarily indicate its expected results for any future period, and the Group's results for the six months ended 30 June 2025 are not necessarily indicative of results expected for the year ended 31 December 2025.

The summary financial data below should be read in conjunction with, and is qualified in its entirety by reference to the Historical Financial Information, the Group's consolidated financial statements as of and for the year ended 31 December 2024 and unaudited condensed consolidated interim financial information as of and for the six months ended 30 June 2025 incorporated by reference in this Offering Circular.

Summary of Consolidated Statements of Profit or Loss

	Year ended 31 December			Six Months ended 30 June	
	2024 RMB	2023 RMB	2022 RMB	2025 RMB (unaudited)	2024 RMB (unaudited)
<i>(in thousands)</i>					
Revenues	266,433	174,420	133,353	517,076	102,630
Cost of revenues	(143,007)	(126,178)	(67,266)	(81,959)	(55,478)
General and administrative expenses	(417,883)	(295,986)	(204,401)	(200,333)	(234,314)

Research and development expenses	(418,238)	(480,664)	(358,952)	(221,527)	(210,390)
Selling and marketing expenses	(70,992)	(62,482)	(40,427)	(40,354)	(34,638)
Impairment losses on financial assets	(1,228)	(217)	(874)	(8,523)	(270)
Other income	65,914	27,513	21,367	30,646	42,360
Other gains/(losses), net	34,794	41,282	(8,114)	37,702	(2,761)
Operating (loss)/profit	(684,207)	(722,312)	(525,314)	32,728	(392,861)
Finance income	55,642	102,693	50,478	51,874	36,414
Finance expenses	(6,757)	(9,575)	(5,746)	(3,654)	(3,733)
Finance income, net	48,885	93,118	44,732	48,220	32,681
Changes in fair value of convertible redeemable preferred shares	(875,356)	(1,275,165)	(957,799)	—	(875,356)
Impairment provision for investment in an associate	—	—	—	(2,348)	—
Share of net losses of investments accounted for using equity method	(4,191)	(1,964)	(236)	(2,991)	(2,014)
(Loss)/profit before income tax	(1,514,869)	(1,906,323)	(1,438,617)	75,609	(1,237,550)
Income tax expense	—	—	—	—	—
(Loss)/profit for the period	(1,514,869)	(1,906,323)	(1,438,617)	75,609	(1,237,550)
(Loss)/profit for the period attributable to:					
Equity holders of the Company	(1,516,606)	(1,914,384)	(1,438,507)	82,795	(1,237,016)
Non-controlling interests	1,737	8,061	(110)	(7,186)	(534)

Summary of Consolidated Balance Sheets

	As of 31 December		As of 30 June					
	2024 RMB	2023 RMB	2022 RMB	2025 RMB (unaudited)				
	<i>(in thousands)</i>							
Assets								
Non-current assets								
Property, plant and equipment	320,397	369,887	317,640	292,558				
Right-of-use assets	90,920	189,250	77,989	77,710				
Intangible assets	7,743	7,869	6,684	230,862				
Investments accounted for using the equity method	25,836	23,841	18,706	50,350				
Financial assets at fair value through profit or loss	555,060	424,023	284,529	1,077,693				
Deferred income tax assets	—	—	—	1,339				
Prepayments	18,251	24,916	13,893	19,004				
Term deposits	21,266	20,552	—	—				
	<u>1,039,473</u>	<u>1,060,338</u>	<u>719,441</u>	<u>1,749,516</u>				
Current assets								
Contract costs	25,671	37,891	33,280	32,715				
Inventories	—	—	—	27,076				
Trade and note receivables	98,746	38,506	37,936	497,007				
Contract assets	3,586	—	—	3,586				
Prepayments, deposits and other receivables	85,132	41,147	51,734	100,528				
Financial assets at fair value through profit or loss	1,786,049	863,368	356,361	1,841,124				
Restricted cash	797	2,337	5,432	2,565				
Term deposits	149,138	1,251,353	2,537,703	1,152,335				
Cash and cash equivalents	1,166,148	710,761	574,219	2,311,688				
	<u>3,315,267</u>	<u>2,945,363</u>	<u>3,596,665</u>	<u>5,968,624</u>				
Total assets	<u>4,354,740</u>	<u>4,005,701</u>	<u>4,316,106</u>	<u>7,718,140</u>				

Equity				
Equity attributable to equity holders of the Company				
Share capital	237	50	50	280
Other reserves	12,535,678	(227,110)	(201,756)	15,483,819
Accumulated losses	(8,572,161)	(7,040,349)	(5,125,965)	(8,489,366)
	<u>3,963,754</u>	<u>(7,267,409)</u>	<u>(5,327,671)</u>	<u>6,994,733</u>
Non-controlling interests	28,553	26,167	17,878	33,933
Total equity/(deficits)	<u>3,992,307</u>	<u>(7,241,242)</u>	<u>(5,309,793)</u>	<u>7,028,666</u>
Liabilities				
Non-current liabilities				
Lease liabilities	64,905	137,183	69,206	52,919
Convertible redeemable preferred shares	—	10,780,342	9,320,782	—
Long-term bank borrowings	—	—	—	7,000
Deferred government grants	17,804	32,042	29,628	13,751
Other payables and accruals	—	—	8,638	—
	<u>82,709</u>	<u>10,949,567</u>	<u>9,428,254</u>	<u>73,670</u>
Current liabilities				
Trade payables	16,143	13,654	13,979	24,101
Other payables and accruals	157,051	131,289	104,250	239,413
Short-term bank borrowings	51,900	60,000	36,000	273,930
Derivative financial instruments	—	560	2,531	1,333
Deferred government grants	5,754	7,433	1,118	7,720
Contract liabilities	16,916	25,658	15,519	37,056
Lease liabilities	31,960	58,782	24,248	32,251
	<u>279,724</u>	<u>297,376</u>	<u>197,645</u>	<u>615,804</u>
Total liabilities	<u>362,433</u>	<u>11,246,943</u>	<u>9,625,899</u>	<u>689,474</u>
Total equity/(deficits) and liabilities	<u>4,354,740</u>	<u>4,005,701</u>	<u>4,316,106</u>	<u>7,718,140</u>

ADJUSTED NON-IFRS MEASURES

In evaluating its business, the Issuer considers and uses adjusted net (loss)/profit, a non-IFRS financial measure, to supplement the review and assessment of its operating performance. The Issuer believes such non-IFRS measure facilitates comparisons of its operating performance from period to period by eliminating the potential impact of certain items. The Issuer believes that the measure provides useful information to investors in understanding and evaluating its consolidated results of operations in the same manner as they help its management. The use of the non-IFRS measure has limitations as an analytical tool, and investors should not consider them in isolation from, as a substitute for analysis of, or superior to, the Group's results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies and may not be comparable to other similarly titled measures used by other companies.

The Issuer defines adjusted net (loss)/profit (non-IFRS measure) as net (loss)/profit adjusted by adding back (i) changes in fair value of CRPS, (ii) share-based compensation expenses and (iii) listing expenses. The following table sets forth the Issuer's adjusted net (loss)/profit for the periods indicated:

	Year ended 31 December			Six Months ended 30 June	
	2024 RMB	2023 RMB	2022 RMB	2025 RMB (unaudited)	2024 RMB (unaudited)
<i>(in thousands)</i>					
(Loss)/profit for the period	(1,514,869)	(1,906,323)	(1,438,617)	75,609	(1,237,550)
Add:					
Changes in fair value of CRPS	875,356	1,275,165	957,799	—	875,356
Share-based compensation expenses	136,678	88,426	43,384	66,019	78,922
Listing expenses	46,036	20,575	—	—	31,876
Adjusted net (loss)/profit					
(non-IFRS measure)	(456,799)	(522,157)	(437,434)	141,628	(251,396)

DEFINITIONS

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings.

“Agency Agreement”	the paying, conversion and transfer agency agreement to be dated 28 January 2026 and to be entered into between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent and principal conversion agent (collectively in such capacities, the “ Principal Agent ”) and The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “ Registrar ”) and transfer agent (the “ Transfer Agent ”) and the other paying agents, transfer agents and conversion agents appointed under it relating to the Bonds
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Articles”	the memorandum and articles of association of the Issuer
“Board”	the Board of Directors of the Issuer
“Bondholder” or “Holder”	a holder of the Bonds
“Bonds”	HK\$2,866,000,000 zero coupon convertible bonds due 2027
“Certificate”	a bond certificate
“Clearing Systems”	Euroclear and Clearstream
“CMI”	a capital market intermediary, being any Lead Manager acting in such capacity in connection with the Offering of the Bonds
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“Conversion Date”	the conversion date in respect of a Bond
“Conversion Price”	the price at which Shares will be issued which will initially be HK\$13.85 per Share, but will be subject to adjustments in the manner described in the Terms and Conditions
“Conversion Right(s)	the right of a Bondholder to convert any Bond into Shares
“Covered Activities”	activities related to semiconductors and microelectronics, quantum information technologies, and artificial intelligence systems under the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern
“CSRC”	China Securities Regulatory Commission and/or its local branches or offices
“CSRC Filing Report”	the filing report of the Issuer in relation to the issuance of the Bonds which will be submitted to the CSRC within three PRC Business Days after the Closing Date pursuant to Articles 13 and 16 of the CSRC Filing Rules

“CSRC Filing Rules”	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) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time
“C(WUMP)O”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong
“EEA”	the European Economic Area
“EUWA”	the European Union (Withdrawal) Act 2018
“FSMA”	the Financial Services and Markets Act 2000
“GAAP”	Generally Accepted Accounting Principles
“Global Certificate”	the global certificate representing the Bonds in registered form, which will be registered in the name of a nominee of, and deposited with, a common depositary on or about the Issue Date
“Group” or “the Group”	the Issuer and its subsidiaries (or the Issuer and any one or more of its subsidiaries, as the context may require)
“HK\$” or “HK dollars”	Hong Kong dollars, the official currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
“Insurance Distribution Directive”	Directive (EU) 2016/97 of the European Parliament and of the Council on insurance distribution, as amended
“Issuer”	XtalPi Holdings Limited 鼎泰控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 28 April 2017 and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2228)
“Issue Date”	28 January 2026
“Lead Managers”	J.P. Morgan Securities (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited
“Listed Subsidiary”	with respect to any Person (as defined in the Terms and Conditions), any Subsidiary with any class of shares carrying Voting Rights of which is listed, whether on the Issue Date or in the future, on any nationally or internationally recognised stock exchange and any Subsidiary of a Listed Subsidiary

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended 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
“Maturity Date”	26 January 2027
“MiFID II”	Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Offering”	the issue and offering of the Bonds as described in this Offering Circular
“PRC” or “China”	for the purposes of this Offering Circular, the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Business Day”	a day, other than a Saturday, Sunday or public holiday, on which commercial banks are open for business in Beijing, the PRC
“PRIIPs Regulation”	Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products, as amended
“Regulation S”	Regulation S under the Securities Act
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“SAFE”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局) or its local branch
“Securities Act”	the United States Securities Act of 1933, as amended
“SFC Code”	the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	ordinary shares with a par value of US\$0.00001 each issued by the Issuer which are traded in HK dollars on the Hong Kong Stock Exchange (Stock Code: 2228)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Subscription Agreement”	the subscription agreement dated 7 January 2026 entered into between the Issuer and the Lead Managers

“Terms and Conditions” or “Conditions”	the terms and conditions of the Bonds
“Trust Deed”	the trust deed to be dated 28 January 2026 and to be entered into between the Issuer and the Trustee
“Trustee”	The Bank of New York Mellon, London Branch
“UK”	the United Kingdom
“UK PRIIPs Regulation”	the retained EU law version of Regulation (EU) No 1286/2014 as it forms part of domestic law in the UK by virtue of the EUWA
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S.\$”, “US\$”, “USD”, “U.S. dollars” or “US dollars”	United States dollars, the official currency of the United States of America
“%”	per cent.

In this Offering Circular, the terms “associate,” “connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Unless the context otherwise requires, references to “2022”, “2023”, “2024” and “2025” in this Offering Circular are to the Group’s financial years ended 31 December 2022, 2023, 2024 and 2025, respectively.

Certain amounts and percentage figures included in this Offering Circular have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Offering Circular in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

RISK FACTORS

Prospective investors of the Bonds should carefully consider the risk factors set forth below, as well as the other information contained elsewhere in this Offering Circular. The risks described below are not the only ones that may affect the Issuer, the Group or the Bonds. Additional risks and uncertainties which the Issuer is not aware of or that the Issuer currently believes are immaterial may also adversely affect the Group's financial condition or results of operations. If any of the possible events described below occur, the Group's financial condition or results of operations could be materially and adversely affected. In such case, the Issuer may not be able to satisfy its obligations under the Bonds and investors could lose all or part of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors.

RISKS RELATING TO THE ISSUER'S BUSINESS AND INDUSTRY

Risks Related to the Issuer's Research and Development

The Issuer's commercial success depends on its closed-loop integrated technology platform and technological capabilities and their acceptance by the Issuer's customers and collaborators. Failure to maintain its technological advantages or gain market acceptance of its platform or technology may have a material and adverse impact on the Issuer's commercial success.

The Issuer utilises its closed-loop integrated technology platform to facilitate its R&D activities, such as computational predictions and experimental assessments on the physiochemical and pharmaceutical properties of small- and large-molecule candidates, solid-form selection and other critical aspects of drug and material science R&D. As a result, the quality, sophistication and efficiency of its platform and technologies is critical to the Issuer's ability to conduct discovery and research activities, deliver more promising molecules, perform accurate solid-state R&D studies and ultimately to accelerate and lower the costs of drug and material science R&D as compared to traditional manual methods. In particular, the successful performance of the Issuer's platform and technologies depends, among other things, on:

- the relative reliability and robustness of its platform;
- whether its platform reliably provides advantages over legacy and other alternative technologies and is perceived by customers and collaborators to be cost-effective;
- its platform's ability to successfully identify molecules with optimal properties in given conditions on desired timeframes that can ultimately be used for the basis of drug and material science R&D and patent protection;
- its ability to develop new solutions for its customers and collaborators;
- its ability to upgrade, advance and innovate its platform and technologies;
- its ability to enhance the capabilities of its automated robotic wet lab through AI-driven analytics, boost automation and increase throughput, improve efficiency and enhance the reproducibility of wet lab experimentation;
- whether its competitors can develop a platform that outperforms its AI-powered computational predictions with greater accuracy and efficiency;
- its ability to increase brand awareness of the capabilities of its technology and solutions;

- its customers' and collaborators' willingness to adopt its new technologies, solutions and services;
- the rate of adoption of its solutions by pharmaceutical companies, biotechnology companies, academic and research institutions and others; and
- market sentiment regarding the accuracy and security of its technologies and data.

There can be no assurance that the Issuer will successfully address any of these or other factors that may affect the market acceptance of its platform or technologies. If the Issuer is unsuccessful in achieving and maintaining market acceptance of its platform and technological capabilities, its business, financial condition, results of operations and prospects could be adversely affected.

The industries that the Issuer operates in are characterised by constant changes. If the Issuer is not able to upgrade, enhance or innovate its technologies and solutions, its business could be adversely affected.

The Issuer's businesses operate in industries that are subject to rapid technological advancements, regulatory changes and evolving customer needs and preferences. In order to remain competitive and responsive to customer demands, the Issuer continually upgrades, enhances and innovates its existing technologies and solutions. If the Issuer fails to respond successfully to technological challenges and customer needs and preferences, the demand for its solutions and services may diminish. The Issuer will also need to enhance and create new features and functionalities of its technologies and solutions to enhance their utility to its customers and adapt to evolving customer preferences, in order to retain existing customers and attract new customers. If the Issuer is unable to provide new features or applications for its technologies and solutions, its solutions or services may lose market acceptance or fail to keep pace with rapid technological developments, which could have a material adverse effect on its business, financial condition, results of operations and reputation. In addition, the success of the Issuer's enhancements and innovation depends on several factors, such as continuous investment, timely introduction and completion of such enhancements or innovations. Failure to do so may significantly impair the Issuer's business and future growth.

The Issuer intends to continue investing significantly in R&D, which may adversely impact its profitability and operating cash flow in the short-term and may not generate the results it expects to achieve.

To compete successfully, the Issuer must maintain successful R&D efforts, upgrade and innovate its technologies, and improve or develop new solutions and services, all ahead of its competitors. The Issuer is focusing its R&D efforts across several technologies, including quantum physics-based computation, AI, high performance cloud computing and automation technologies. The Issuer has been investing heavily in its R&D efforts, with R&D expenses increasing from RMB359.0 million in 2022 to RMB480.7 million in 2023 and decreasing slightly to RMB418.2 million in 2024. R&D expenses increased from RMB210.4 million in the six months ended 30 June 2024 to RMB221.5 million in the six months ended 30 June 2025. The industries in which the Issuer operates are subject to rapid technological changes and are evolving quickly in terms of technological innovation. The Issuer needs to invest significant resources, including financial and human resources, in R&D to achieve technological advancements in order to improve and expand its services to keep it innovative and competitive in the markets in which it operates. As a result, there is no assurance that the Issuer's R&D expenses will not continue to increase significantly, which may adversely impact its profitability and operating cash flow in the short-term.

Furthermore, the Issuer cannot guarantee that its R&D efforts will deliver the benefits it anticipates or be recognised as expected. R&D activities are inherently uncertain, and the Issuer may not be able to obtain and retain sufficient resources, including qualified R&D personnel. Even if the Issuer succeeds in its R&D efforts and generates the results it expects, it may still encounter practical difficulties in commercialising its R&D results. Given the fast pace of development in the markets in which the Issuer operates, it may not be able to

upgrade or innovate its technologies in a timely, efficient and cost-effective manner, or at all. New technologies in the industry could render the Issuer's technologies and the technological infrastructure or services that it is developing or expects to develop in the future obsolete or unattractive, thereby limiting its ability to recover related R&D costs, which could result in a decline in the Issuer's revenue, profitability and market share.

Additionally, the Issuer's R&D efforts may not contribute to its future results of operations for several years, if at all, and such contributions may not meet its expectations or even cover the costs of the R&D efforts, which would materially and adversely affect its business, results of operations, financial condition and competitive position.

The Issuer may not be able to identify or discover new product candidates and may allocate its limited resources to pursue a particular product candidate and fail to capitalise on product candidates that may later prove to be more profitable, or for which there is a greater likelihood of success.

As the Issuer will continue to focus part of its R&D efforts on drug discovery and pre-clinical studies, its success depends in part upon its ability to identify, discover and design new product candidates for its customers and collaborators. Research programmes to identify, discover and design new product candidates require substantial technical, financial and human resources. The Issuer's research programmes may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for a number of reasons, including, for example, potential product candidates that are not effective in treating their targeted diseases.

Because the Issuer has limited financial and managerial resources, it focuses on research programmes and product candidates for specific targets. As a result, the Issuer may forgo or delay pursuit of opportunities with other product candidates that may later be proved to have greater commercial potential or a greater likelihood of success. On the other hand, if the Issuer does not prioritise the allocation of its resources and conducts research programmes that cover a broad range of targets or if it engages research programmes that are overly expansive, it may be subject to risk of significant loss. The Issuer's resource allocation decisions may cause it to fail to capitalise on viable commercial products or profitable market opportunities. Accordingly, there can be no assurance that the Issuer will be able to develop suitable potential product candidates, which could materially and adversely affect its future growth and prospects.

In addition, the Issuer's scientific approach focuses on using its integrated platform technology and leveraging its deep understanding of quantum physics modelling and computation to design molecules and predict their critical properties to prioritise a small set of molecules with a potentially optimal property profile for time-consuming and expensive chemical synthesis and physical experiments. While the results of certain of its drug discovery customers' or collaborators' programmes suggest that the Issuer's platform is capable of accelerating drug discovery and identifying high quality product candidates, these results do not assure future market viability and commercial success.

Even if the Issuer's drug discovery customers or collaborators are able to develop product candidates that demonstrate potential in pre-clinical studies, such product candidates may not succeed in demonstrating their safety and efficacy in clinical trials. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials have nonetheless failed to obtain marketing or regulatory approval of their product candidates. Failure to obtain approval for such product candidates could render the Issuer's R&D efforts futile, affect the commercial viability of its customers or collaborators' product candidates and may in turn materially and adversely affect its business, financial condition, results of operations and prospects.

If the Issuer's current research collaborators or key R&D employees terminate their relationships with it or develop relationships with a competitor or delay their delivery of adequate research results, the Issuer's ability to conduct R&D, the progress of its R&D programmes and its ability to protect its IP could be adversely affected.

To advance its integrated technology platform and improve its capabilities in providing drug and material science R&D and intelligent robotics solutions, the Issuer works with a number of research collaborators and key R&D employees. There can be no assurance that there will not be a detrimental impact on it if one or more of these research collaborators and key R&D employees were to cease their relationship with the Issuer or as a result of their collaboration with competitors. As a result, this may adversely affect the Issuer's ability to advance its integrated technology platform and further develop its drug and material science R&D and intelligent robotics solutions.

Furthermore, the Issuer's ability to continue to conduct and expand operations depends on its ability to attract and retain a large and growing number of key R&D personnel. The ability to meet the Issuer's expertise needs, including the ability to find qualified personnel to fill positions that become vacant in its R&D department, while controlling costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the market, prevailing wage rates, changing demographics, health and other insurance costs and the adoption of new or revised employment and labour laws and regulations. If the Issuer is unable to locate, attract or retain qualified R&D personnel, its technological capabilities and quality of services provided to customers or collaborators may decrease, its competitive advantage may be impaired and its financial performance may be adversely affected.

In addition, collaborative relationships in the Issuer's industry can be complex, particularly with respect to IP rights. Although the Issuer's research collaborators are generally bound by agreements with it not to disclose its confidential information, any breach of such confidentiality obligation could cause leakage of valuable proprietary knowledge to the public, third parties or even the Issuer's competitors, which would compromise the Issuer's competitive advantage and adversely affect its results of operations in a significant manner. Disputes may arise in the future regarding ownership rights to technology developed by or with other parties. These and other possible disagreements between the Issuer and third parties with respect to its IP rights or its collaborative relationships could lead to delays in the research, development or commercialisation of the product candidates it designs or discovers. These disputes could also result in litigation or arbitration, both of which are time-consuming and costly.

There is also no assurance that the Issuer's research collaborators or key R&D employees will deliver adequate research results to support its R&D. In particular, although the contracts with the Issuer's research collaborators generally set out research goals and specific programme requirements, it is possible that the Issuer's research partners may face significant delays or difficulties in conducting research or may be unable or unwilling to complete the research due to the limit of their research capabilities, the unpredictability of research results and other potential restrictions. As a result, they may not be able to deliver anticipated R&D results, leading to a partial or complete failure of the research programme. Failure to complete such research as planned may delay product development by the Issuer's customers or collaborators, which could harm its competitive strength as well as results of operations.

In addition, if the cost to attract or retain key R&D personnel or the cost to maintain relationships with research collaborators increases for other reasons, or if new or revised labour laws, rules or regulations or healthcare laws are adopted or implemented that further increase labour costs, the Issuer's business, financial condition and results of operations could be materially adversely affected.

The data and information that the Issuer gathers in its R&D process could be inaccurate or incomplete, which could harm its business, reputation, financial condition and results of operations.

The Issuer collects, aggregates, processes and analyses data and information from its drug and material science R&D activities. Because data in the AI-powered drug and material science R&D is fragmented in origin, inconsistent in format and often incomplete, the overall quality of data collected or accessed in the healthcare industry is often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material and the Issuer may discover data issues and errors when monitoring and auditing the quality of its data. If the Issuer makes mistakes in the capture, input or analysis of these data, its ability to provide high-quality drug and material science R&D services may be materially harmed and its business, prospects and reputation may suffer.

In addition, the Issuer may collaborate with other third parties to monitor and manage data for some of its ongoing pre-clinical studies and other future programmes and control only certain aspects of their activities. If any of these third parties does not perform to the Issuer's standards in terms of data accuracy or completeness, data from those pre-clinical studies and other future programmes may be compromised as a result, and the Issuer's reliance on these parties may expose it to regulatory or other liabilities, which may materially and adversely affect its business, reputation, financial condition and results of operations.

Risks Related to the Commercialisation of the Issuer's Solutions and Services

The Issuer has a limited operating history, which may make it difficult to evaluate its current business and predict its future performance.

The Issuer has a limited operating history. Since its inception in 2015, the Issuer has been focused on building its closed-loop integrated technology platform with both dry lab and automated robotic wet lab capabilities and establishing its capability in AI-powered drug and material science R&D as well as consumer healthcare R&D. The Issuer generates revenue primarily from the provision of (i) drug discovery solutions and (ii) intelligent robotics solutions, comprising primarily solid-state R&D solutions, automated chemical synthesis services and XtalPi R&D solutions.

The Issuer's operations to date have focused on providing drug, material science R&D and consumer healthcare R&D enhancing its integrated technology platform and building its IP portfolio. These operations provide a limited basis for investors to assess the Issuer's ability to successfully market and commercialise its solutions and services. Consequently, predictions about the Issuer's future success or viability may not be as accurate as they could be if it had a longer operating history. The Issuer will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields. If the Issuer does not address these risks and difficulties successfully, it may not be successful in its future business and operations.

In addition, the Issuer has a limited operating history compared to some of its competitors, and certain of its solutions and services are still at various stages of development. As a result of its limited operating history, and particularly in light of the rapidly evolving and competitive nature of the industries in which it operates, it may be difficult to evaluate the Issuer's business, results of operations, financial condition or prospects based on its historical performance. The Issuer may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors and may not be able to achieve promising results in future periods. If the Issuer cannot address these risks and overcome these difficulties successfully, its business and prospects will suffer.

The Issuer's historical performance may not be indicative of its future growth, and the Issuer may not be able to sustain similar growth in the future.

The Issuer has experienced rapid growth since its inception in 2015. The Group's revenues increased from RMB133.4 million in 2022, to RMB174.4 million in 2023 and further to RMB266.4 million in 2024. The

Group's revenues increased from RMB102.6 million in the six months ended 30 June 2024 to RMB517.1 million in the six months ended 30 June 2025. However, investors should not rely on the revenue growth of any prior period as an indication of the Issuer's future performance, as its growth in a relatively short period of time is not necessarily indicative of results that the Issuer may achieve in the future. There are a wide array of factors that will affect the Issuer's performance and growth, including the Issuer's customers' budget and R&D demand, the overall economy, market acceptance of the Issuer's solutions and services, competitive differentiated technologies in the market and pricing pressures exerted by the Issuer's competitors, many of which are beyond its control. The Issuer cannot assure investors that it will be able to maintain its growth at the same rate as it did in the past or avoid any decline in the future.

The size of the Issuer's addressable markets and the demand for its solutions and services may not increase as rapidly as it anticipates due to a variety of factors, which could materially and adversely affect the Issuer's business, results of operations, financial condition and prospects.

The Issuer is pursuing opportunities in markets that are undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and size of the opportunities for the Issuer's key specialist technology services.

The Issuer's internal estimates and forecasts are based on a variety of assumptions, including assumptions regarding market acceptance of the various technologies and solutions in connection with drug and material science R&D, consumer healthcare R&D and intelligent automation. While the Issuer believes its assumptions and the data underlying its estimates and forecasts are reasonable, these assumptions and estimates may not be correct and the conditions supporting the Issuer's assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, the Issuer's estimates and forecasts may prove to be incorrect. If third-party or internally generated data prove to be inaccurate or the Issuer makes errors in its assumptions based on that data, the addressable markets for the Issuer's solutions and services may be smaller than it has estimated, its future growth opportunities and sales growth may be smaller than it estimates and its future business, results of operations and financial condition may be materially and adversely affected.

The Issuer's future financial performance will depend on its ability to make timely investments to seize the correct market opportunities. If one or more of these markets experience a shift in customer demand, the Issuer's solutions and services may not compete as effectively, or at all. Given the evolving nature of the markets in which the Issuer operates, it is difficult to predict customer demand for or market acceptance of the Issuer's solutions and services or the future growth of the markets in which the Issuer operates. Even if the Issuer's addressable markets grow substantially, there is no guarantee that demand for the Issuer's solutions and services will correlate with that growth. There is also no guarantee that the Issuer's business will be successful simply because of the growth of its addressable markets.

The markets in which the Issuer participates are competitive, and if the Issuer does not compete effectively, its business and results of operations could be adversely affected.

The global markets for AI-powered drug, material science R&D and consumer healthcare R&D are rapidly evolving and subject to intense competition as a result of changing technology innovation and shifting customer needs. Given the Issuer's presence in China and globally, it faces potential competition from many different sources both locally and globally, while the solutions and applications offered by the Issuer's competitors vary in size, breadth and scope, including both AI-powered and traditional drug, material science R&D and consumer healthcare R&D providers.

The Issuer's drug discovery solutions business faces competition from many sources, including major pharmaceutical, specialty biotechnology companies, technology companies, academic institutions and government agencies and public and private research institutions. In particular, the Issuer faces competition

from competitors in the business of conducting AI-powered early-stage drug design and discovery. In some cases, these competitors possess well-established capabilities in drug R&D and have long-standing relationships with many of the Issuer's current and potential customers and collaborators, including large biotechnology and pharmaceutical companies and academic institutions. The Issuer also faces competition from biotechnology and pharmaceutical companies that develop AI-powered drug R&D solutions internally, smaller companies that offer drug R&D solutions directed at more specific markets than it targets, as well as a large number of market entrants with the goal of applying AI and computational technologies to drug R&D.

The Issuer's intelligent robotics solutions business faces competition from competitors providing solid-state R&D services and automated chemical synthesis services, including AI-focused technology companies, specialised solid-state CROs, or other large CROs. The Issuer also faces competition from pharmaceutical companies that develop solid-state R&D internally. The Issuer may also face competition from companies that engage in the automation business in the future.

Many of the Issuer's competitors may be able to devote greater resources to the development, promotion and sale of their solutions and services. In addition, third parties with greater available resources and the ability to initiate or withstand substantial price competition could acquire the Issuer's current or potential competitors. The Issuer's competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their solutions and/or service offerings or resources. If (i) the Issuer's competitors' solutions, services or technologies become more accepted than the Issuer's; (ii) the Issuer's competitors are successful in bringing their solutions or services to market earlier than the Issuer; (iii) the Issuer's competitors are able to respond more quickly and effectively to new or changing opportunities, technologies, or customer requirements; or (iv) their solutions or services are more technologically capable than those of the Issuer, then the Issuer's revenues could be adversely affected.

The Issuer may also be required to decrease its prices or modify its pricing practices in order to attract new customers or retain customers due to increased competition. Pricing pressures and increased competition could result in reduced sales or margins, losses or a failure to maintain or improve the Issuer's competitive market position, any of which could adversely affect its business.

The Issuer has limited experience in the commercialisation of its solutions and services.

The Issuer has relatively limited experience in launching, commercialising, selling and marketing its solutions and services. For example, the Issuer has limited experience in building a commercial team, conducting comprehensive market analysis, obtaining licences and approvals and managing the sales force for its solutions and services. Therefore, the Issuer's ability to successfully commercialise its solutions and services may involve more inherent risks, take longer and cost more than it would if the Issuer were a company with more experience in sales and marketing. In particular, the commercialisation of new solutions and services requires a large investment of resources. The success of the Issuer's sales and marketing efforts depends on its ability to attract, motivate and retain qualified and professional employees in its commercialisation team who have, among other things, adequate industry knowledge to communicate effectively with industry professionals, sufficient experience in sales and marketing of the Issuer's cutting-edge solutions and services and extensive industry connections with biotechnology and pharmaceutical companies as well as academic and research institutions. Furthermore, along with the Issuer's market expansion after the commercialisation of its solutions and services, the Issuer expects to hire more employees with relevant industry experience and knowledge to strengthen its marketing and sales workforce. However, competition for experienced sales and marketing personnel is intense. If the Issuer is unable to attract, motivate and retain a sufficient number of qualified sales and marketing personnel to support its business, the commercialisation of its solutions and services may be adversely affected. The Issuer's business, results of operations and prospects may also be adversely affected if its investment and efforts to expand its sales force do not generate a corresponding increase in revenue.

The Issuer may not be able to manage its growth, and failure to do so may adversely and materially affect its business, financial condition, results of operations and reputation.

The Issuer expects to further grow its business by expanding its service offerings, broadening its customer base and strengthening its technological capabilities, among others. The Issuer's growth requires significant financial, human and other resources and will continue to place significant demands on its management. The Issuer's current and planned staffing, systems, policies, procedures and controls may not be adequate to support its future operations. To effectively manage the expected growth of its business and operations, the Issuer will be required to refine its operational, financial and management controls and reporting systems and procedures. The Issuer may not be able to implement improvements to its systems and procedures in an efficient or timely manner or at all and may discover deficiencies in existing systems and controls. In addition, as the Issuer's development and commercialisation plans and strategies evolve, and as it continues operating as a public company, the Issuer expects to devote more resources on management, operational, financial and other related functions. In the future, the Issuer also expects to enter into additional relationships with collaborators or partners, suppliers and other organisations and expand its business development team, marketing team and market analysis team in preparation for commercialisation activities. The expansion of the Issuer's operations or hiring of additional personnel may lead to significant costs and divert its management attentions and development resources. The Issuer will also need to purchase additional equipment, some of which can take several months or more to procure, set up and validate, and increase its software and computing capacity to support its growth. There is no assurance that any of these increases in scale, expansion of personnel, equipment, software and computing capacities or process enhancements will be successfully implemented.

The Issuer is also continually executing a number of growth initiatives, strategies and operating plans designed to enhance its business, including growing the scale, comprehensiveness and depth of its existing business and investing in R&D to build digitalised infrastructure. The anticipated benefits from these efforts are based on assumptions that may prove to be inaccurate later.

If the Issuer fails to efficiently manage the expansion of its business, its costs and expenses may increase faster than planned, and the Issuer may not successfully attract a sufficient number of customers in a cost-effective manner, respond timely to competitive challenges, provide quality services or otherwise execute its business strategies. A failure in any of these areas could make it difficult for the Issuer to meet market expectations for its solutions and services and could damage its reputation and business prospects. The Issuer's inability to successfully manage its growth and expand its operations could have a material and adverse effect on its business, financial condition, results of operations and prospects.

If the Issuer fails to retain existing customers or attract new customers, its business, financial condition and results of operation will suffer.

The Issuer has served more than 300 biotechnology and pharmaceutical companies and academic and research institutions globally since its inception. The Issuer expects to continue to maintain business relationship with these existing customers by not only providing the current services but also exploring their evolving needs to cross sell its other services. The Issuer also intends to further grow its business by attracting new customers, expanding its global footprint. As a result, retaining existing customers and engaging new customers are critical to the Issuer's future operating results. Factors that may affect the Issuer's ability to retain, and cross sell additional services to, its customers include:

- the demand of its customers for drug discovery solutions and intelligent robotics solutions. In particular, its customers may develop their own in-house AI platforms related to drug discovery and intelligent automation;
- the price, performance and functionality of its drug discovery solutions and intelligent robotics solutions;

- the availability, price, performance and functionality of competing solutions and services;
- the stability, performance and security of its technological infrastructure;
- its ability to develop complementary solutions, applications and services that combine both computational services and experimental services that are tailored to its customers' needs;
- the effectiveness of its solutions and services;
- the success of its upgraded or innovative services or technologies;
- the financial performance, the budget of the R&D activities and the overall business environment of its customers; and
- the overall business environment of the industry.

The Issuer delivers its drug discovery solutions and intelligent robotics solutions on a programme-by-programme basis. Therefore, the Issuer's customers have no obligation to enter into new service agreements after the specified programmes are completed. In addition, many of the Issuer's service agreements may be terminated or reduced in scope either immediately or upon notice due to changed plans. In addition, the Issuer's customers may negotiate terms less advantageous to the Issuer when procuring new services from it, which may reduce the Issuer's profitability. Factors that are not within the Issuer's control may result in a reduction in its revenue or profitability. The loss, reduction in scope or delay of large or multiple contracts, could materially and adversely affect the Issuer's business.

The Issuer's future growth also depends, in part, on its ability to enter into new programme agreements or generate more purchase orders under existing agreements, which is in turn dependent on its ability to scale and adapt its drug discovery solutions and intelligent robotics solutions to meet its customers' evolving needs.

In addition, the Issuer generates large unique data sets from its computation and wet lab experimentation during the provision of its solutions and services. Wherever appropriate, the Issuer uses the computation results to inform wet lab experimentation and uses the wet lab results as the basis for training its AI models. As a result, in addition to reduced revenue, the loss of one or more of these relationships or the Issuer's inability to render innovative or effective solutions and services may reduce its access to meaningful data assets, thus hindering its ability to further its technological differentiation and improve its platform.

The Issuer engages in conversations with biotechnology and pharmaceutical companies and academic and research institutions regarding potential drug discovery solutions and intelligent robotics solutions on an ongoing basis. These conversations may not result in a commercial agreement. Even if an agreement is reached, the resulting relationship may not be successful, due to a number of factors, including the Issuer's customers' inability to advance the research, overcome regulatory obstacles or commercialise such drug product candidates. In such circumstances, the Issuer may not be able to generate substantial revenue from such unsuccessful collaborations, including service fees, upfront fees, milestone payments and contingent payments.

Failure of the Issuer's customers or collaborators to meet their contractual obligations to it could adversely affect its business.

The Issuer has entered into a number of service and collaboration agreements with biotechnology and pharmaceutical companies, start-ups and academic and research institutions under which its customers and collaborators are pursuing research in a number of therapeutics areas. Such relationships pose a number of risks, including the risk that they may not perform their contractual obligations to the Issuer's standards, in compliance with applicable legal or contractual requirements, in a timely manner or at all; they may not maintain the confidentiality of the Issuer's proprietary information; and disagreements or disputes could arise that could

cause delays in, or termination of, the research, development or commercialisation of the relevant technologies or products using the Issuer's technologies or result in litigation or arbitration.

In addition, certain of the Issuer's customers and collaborators run many programmes concurrently, and the Issuer is dependent on their ability to accurately track and make milestone payments to the Issuer pursuant to the terms of its agreements with them. Any failure by them to inform the Issuer when milestones are reached and make related payments to it could adversely affect the Issuer's results of operations. The Issuer's financial success depends upon the creditworthiness and ultimate collection of amounts due from its customers and collaborators, including its smaller-scale counterparties with fewer financial resources. If the Issuer is not able to collect amounts due from its customers and collaborators, the Issuer may be required to write-off significant accounts receivable and recognise bad debt expenses, which could materially and adversely affect its operating results.

Moreover, some of the Issuer's customers and collaborators are located in markets that may be subject to political and social risk, corruption, infrastructure problems and natural disasters and are often subject to country-specific privacy and data security risk as well as burdensome legal and regulatory requirements. Any of these factors could adversely impact their financial condition and results of operations, which could impair their ability to meet their contractual obligations to the Issuer, which may have a material adverse effect on its business, financial condition and results of operations.

If its customers or collaborators are unable to successfully complete clinical development, obtain regulatory approval for or commercialise any product candidates or experience delays in doing so, the Issuer's business may be materially harmed.

The success of the Issuer's customers' and collaborators' development and commercialisation programmes will depend on several factors, including:

- successful completion of the Issuer's pre-clinical studies to enable the initiation of clinical trials;
- successful enrolment of patients in, and the completion of, the clinical trials;
- acceptance by the FDA, NMPA or other regulatory agencies of regulatory filings for any product candidates that the Issuer discovers and designs and its customers or collaborators may develop;
- expanding and maintaining a workforce of experienced scientists and others to continue to develop product candidates;
- obtaining and maintaining IP protection and regulatory exclusivity for product candidates that the Issuer discovers and designs and its customers or collaborators may develop;
- making arrangements with third-party manufacturers for, or establishing, clinical and commercial manufacturing capabilities;
- establishing sales, marketing and distribution capabilities for drug products and successfully launching commercial sales, if and when approved;
- acceptance of any product candidates that the Issuer discovers and designs and its customers or collaborators may develop, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining coverage, adequate pricing and adequate reimbursement from third-party payors, including government payors;

- patients' willingness to pay out-of-pocket in the absence of coverage and/or adequate reimbursement from third-party payors; and
- maintaining a continued acceptable safety profile following receipt of any regulatory approvals.

Many of these factors are beyond the Issuer's control, including clinical outcomes, the regulatory review process, potential threats to the Issuer's IP rights and the manufacturing, marketing and sales efforts of any customers or collaborators. Clinical drug development involves a heavily regulated, lengthy and expensive process, with an uncertain outcome. If the Issuer's customers or collaborators are unable to develop, receive marketing approval for and successfully commercialise any product candidates that the Issuer discovers and designs, or if they experience delays as a result of any of these factors or otherwise, the Issuer may not be able to receive milestone payments and royalties, which would adversely affect its business, prospects, financial condition and results of operations.

If the Issuer is unable to increase the sales of its solutions and services, or if its customers and collaborators are unable to commercialise their drug products, the Issuer's revenues may be insufficient for it to achieve or maintain profitability.

To achieve and maintain profitability, the Issuer must succeed in significantly increasing sales of its solutions and services, and its customers and collaborators must succeed in developing and eventually commercialising their drug products. The Issuer generated a significant portion of revenue from the provision of its drug discovery solutions and intelligent robotics solutions in the last three fiscal years and expects to continue to derive a large percentage of its revenue from such business in the near future. As such, increasing sales of the Issuer's solutions and services to its existing customers and successfully marketing such services to new customers are critical to its success. Demand for the Issuer's solutions and services may be affected by a number of factors, including but not limited to continued market acceptance by the biotechnology and pharmaceutical industries and other high-value industries the Issuer desires to enter into, the accuracy and efficiency of its computational services and compound synthesis, the quality and costs of its experimental services, upgrade of its dry lab and wet lab, timing of development and release of new offerings by its competitors, technological change and the rate of growth in its target markets. If the Issuer is unable to continue to meet the demands of its customers, its business operations, financial condition, results of operations and prospects will be adversely affected.

Achieving success in drug and material science R&D will require the Issuer to further enhance its service capabilities to its customers and to foster additional collaborations, from which the Issuer expects to generate multiple types of revenue, or require the Issuer or its customers and collaborators to be effective in a range of challenging activities, such as molecule discovery and optimisation and pre-clinical testing. The Issuer and its customers and collaborators may never succeed in these activities. Even if the Issuer is successful in its R&D activities, it may never generate revenue that is significant enough to achieve profitability. Even if the Issuer's collaborators are successful in developing and commercialising product candidates, the Issuer may not receive enough milestone or contingent payments from them to achieve profitability. Because of the intense competition in the market for the Issuer's solutions and services and the numerous risks and uncertainties associated with product development, the Issuer is unable to accurately predict when, or if, the Issuer will be able to achieve or sustain profitability.

Even if the Issuer achieves profitability, it may not be able to sustain or increase profitability on an annual basis. The Issuer's failure to become and remain profitable could impair its ability to raise capital, expand its business, maintain its R&D efforts, increase sales of its solutions and services, enter into collaborations or even continue its operations.

The industries the Issuer operates in are heavily regulated internationally, and the Issuer is subject to changing laws and regulations and non-compliance with such laws and regulations may subject it to sanctions and other adverse regulatory actions.

All jurisdictions in which the Issuer conducts its drug R&D activities regulate these activities in great depth and detail. The Issuer focuses its activities in major markets such as the U.S., Europe, and China. These jurisdictions strictly regulate the biotechnology and pharmaceutical industries, and in doing so, they employ broadly similar regulatory strategies, including regulation and approval of drug R&D. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for companies like many of the Issuer's customers and collaborators and the Issuer that plan to operate in these regions.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the drug R&D process and approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include: refusal to approve pending applications; withdrawal of an approval; licence revocation; clinical hold; voluntary or mandatory product recalls; product seizures; total or partial suspension of production or distribution; injunctions; fines; refusals of government contracts; restitution; disgorgement; or other civil or criminal penalties. Failure to comply with these regulations could have a material adverse effect on the business and operations of the Issuer's customers and collaborators and the Issuer.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in additional costs necessitated by ongoing revisions to the Issuer's disclosure and governance practices. If the Issuer fails to address and comply with these regulations and any subsequent changes, the Issuer and its customers or collaborators may be subject to penalties and/or regulatory actions, and such failure may significantly affect its customers' or collaborators' ability to commercialise their products which will in turn adversely affect the Issuer's ability to generate revenue from its solutions and services. Further, any government investigation of alleged violations of laws or regulations could require the Issuer's customers or collaborators to expend significant time and resources in response and could generate negative publicity. If regulatory sanctions are applied or if regulatory approval is withdrawn, the Issuer's operating results will be adversely affected.

If the commercialisation of AI and automation technologies does not meet the Issuer's expectation, its business, growth and prospects may be significantly affected.

Commercialisation of AI and automation technologies and solutions and services powered by the Issuer's AI and automation technologies depends on a number of factors, including the technological upgrade and innovation of its technologies, the accuracy and reliability of its technologies and related solutions and services, the increasing application of AI and automation in R&D, the performance and perceived value of the Issuer's technologies and the related solutions and services, and laws and regulations governing its technologies and related solutions and services. If AI and automation technologies and related solutions and services do not achieve widespread acceptance, or if there is a reduction in demand for AI and automation technologies and related solutions or services caused by weakening economic conditions, decreases in R&D spending, technical challenges, data security or privacy concerns, governmental regulation and competing technologies, the Issuer's business, growth prospects and results of operations will be materially and adversely affected. In addition, the Issuer cannot assure investors that the trend of adopting and utilising AI and automation technologies and related solutions and services will continue in the future, which could materially and adversely affect the AI technology and automation industries, and in turn, the Issuer's business, growth and sustainability.

As of the date of this Offering Circular, the Issuer's AI-driven drug discovery processes have not yet been proven through to the commercialisation stage (including obtaining regulatory approvals, achieving market

adoption and generating sustained revenue from AI-originated candidates). As a result, there is significant uncertainty regarding the future success, timing, scalability and financial stability of these processes as the industry continues to evolve. Should the Issuer be unable to demonstrate commercial viability within anticipated timeframes or budgets, its business, liquidity and results of operations could be materially and adversely affected.

Furthermore, the regulatory landscape for AI technologies is evolving and may become more stringent, particularly for high-risk applications such as drug research and development. Future regulatory authorities may impose enhanced requirements regarding the interpretability, reliability, robustness and auditability of AI systems, as well as data governance, documentation, validation and verification, algorithmic impact assessments, post-market surveillance, traceability and human-in-the-loop controls. These potential developments, across China and other jurisdictions, could increase compliance obligations and costs, slow or limit the deployment of AI-enabled solutions, require system redesigns or model retraining, delay regulatory submissions or approvals, or result in enforcement actions, penalties or contractual liabilities for non-compliance. Any such outcomes could materially and adversely affect the Issuer's operations, customer relationships, compliance obligations and prospects.

Any flaws or misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by the Issuer or by other third parties, could have a material adverse effect on the Issuer's reputation, business, financial condition, results of operations and prospects.

AI technologies are at early stages of development and continue to evolve. Similar to many innovations, AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in China and other jurisdictions or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights, including privacy or personality rights. Such misuse could affect customer perception, public opinion, the views of policymakers and regulators and result in decreased adoption of AI technologies.

In addition, flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the decisions and analyses made on the relevant solutions and services. There can be no assurance that the Issuer will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and the related solutions and services, whether actual or perceived, could materially and adversely affect the Issuer's business, reputation, results of operations and prospects.

Risks Related to the Issuer's Operations

If the Issuer fails to manage its technology infrastructure, its customers and collaborators may experience service outages and delays in the deployment of its solutions and services.

The Issuer has experienced rapid growth in the number of research programmes that its technology infrastructure supports. As a result, the Issuer needs to maintain sufficient excess capacity in its technology infrastructure to meet the needs of its customers and collaborators and to facilitate the rapid provision of solutions and services in anticipation of new customers and collaborators. In addition, the Issuer needs to properly manage its technology infrastructure in order to support version control, changes in hardware and software parameters and the evolution of its solutions. However, updating the Issuer's technology infrastructure requires adequate lead-time. The Issuer has experienced, and may in the future experience, website disruptions, outages and other performance problems. These types of problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in usage and denial of service issues. In some instances, the Issuer may not be able to identify the cause of these performance problems within a timeframe that is acceptable to customers or collaborators. If the Issuer cannot accurately anticipate and prepare for additional requirements on its technology infrastructure, the Issuer may experience

service outages that may delay the deployment of its solutions and services and the delivery of its work products, which may subject it to financial penalties and liabilities, reputational damages and customer losses.

The Issuer's international operations are subject to a variety of costs and legal, regulatory, political and economic risks.

The Issuer's business and results of operations are affected by its ability to execute its globalisation strategy, which primarily involves expanding into new international markets, particularly the U.S. and Europe. Operating internationally subjects the Issuer to additional risks and challenges such as:

- limited brand recognition globally (compared with its presence in China);
- costs and expenses in connection with global expansion, including recruitment of local personnel and the lease or establishment of new premises or labs;
- the ability to anticipate international consumers' and collaborators' needs and preferences;
- the burden of complying with a wide variety of local laws and regulations;
- wars, political and economic instability, including trade tensions; and
- technological and trade restrictions.

The Issuer's international expansion plans will place increased demands on its operational, managerial and administrative resources. In particular, the Issuer faces regulatory uncertainties and may incur substantial compliance costs when it enters into a new overseas market. Regulations in different overseas markets could vary significantly. Being compliant with laws and regulations in one jurisdiction does not necessarily mean the Issuer's business practice would comply with laws and regulations in another jurisdiction and the Issuer may need to make adjustments to its business accordingly to comply with local laws. Non-compliance may subject the Issuer to sanctions by regulatory authorities, to monetary penalties or to restrictions on its activities or revocation of its licences, which may result in a material adverse effect on its business, financial condition and results of operations in the relevant overseas market. The Issuer also has to closely monitor changes in local laws and complete all necessary procedures and filings accordingly.

If the Issuer, its customers, suppliers, research partners or other partners were to be listed as or designated as “biotechnology companies of concern” under the BIOSECURE Act, the ability of the foregoing persons to engage in business with the U.S. government or with companies that engage in business with the U.S. government may be limited, which could disrupt or diminish the Issuer's business activities.

The Issuer, its customers, suppliers, research partners or other partners may become subject to the BIOSECURE Act, which was enacted into law on 18 December 2025 and which prohibits the U.S. government and recipients of U.S. federal funds from procuring biotechnology equipment or services from so-called “biotechnology companies of concern” and entities that rely on restricted providers could also be barred from entering into or renewing contracts with the U.S. government. The initial “biotechnology companies of concern” list will be released within one year of enactment of the BIOSECURE Act, and the U.S. government has the authority to identify other entities for inclusion as “biotechnology companies of concern”, specifically any entity that is subject to the control or jurisdiction or acts on behalf of a “foreign adversary” (defined by law to be China, Iran, North Korea and Russia), provided that the entity is involved in the manufacturing, distribution, provision, or procurement of a biotechnology equipment or service, and poses a risk to the national security of the U.S., based on: (i) engaging in joint research with, being supported by, or being affiliated with a foreign adversary's military, internal security forces or intelligence agencies; (ii) providing multiomic data obtained via biotechnology

equipment or services to the government of a foreign adversary; or (iii) obtaining human multiomic data via the biotechnology equipment or services without express and informed consent.

As at the date of this Offering Circular, none of the Group members has been designated as “biotechnology companies of concern”.

However, if the Issuer, its customers, suppliers, research partners or other partners were to be listed as or designated as “biotechnology companies of concern” or if further amendments to the BIOSECURE Act or its interpretation are effected, the ability of the foregoing persons to engage in business with the U.S. government or with companies that engage in business with the U.S. government and recipients of U.S. federal funds could be restricted. This could result in loss of existing or prospective contracts, termination of collaborations, interruption of supply chain, reduced access to collaboration or funding opportunities involving U.S. institutions, reputational harm and increased compliance costs. Customers, suppliers and partners may be required to transition away from the Issuer’s solutions, which could materially and adversely affect the Issuer’s business activities, growth prospects, results of operations and financial condition.

Furthermore, the BIOSECURE Act’s prohibitions may not take effect until 2027, pending implementing steps, and legal and regulatory interpretations of the BIOSECURE Act continue to evolve. The scope of covered entities, definitions of “biotechnology equipment or services,” and enforcement mechanisms may change over time, potentially expanding compliance obligations and increasing operational and financial risks for the Issuer.

The Issuer uses third-party providers of cloud-based infrastructure to enable its AI-powered drug and material science R&D. Any disruption in the operations of these third-party providers, limitations on capacity or interference with the Issuer’s use could adversely affect the Issuer’s business, financial condition and results of operations.

The Issuer outsources its infrastructure relating to its high-performance cloud computing to multiple third-party service providers. Therefore, the Issuer’s cloud computing infrastructure, which enables its high-performance computational algorithms and AI models, depends on third-party service providers to maintain the configuration, architecture, features and interconnection specifications of the virtual cloud infrastructure, as well as protect the information stored in the system, which is transmitted by third-party internet service providers. Any limitation on the capacity of the Issuer’s third-party service providers could impede the Issuer’s ability to deliver services or study results in a timely manner, onboard new customers or expand the usage by its customers, which could adversely affect its business, financial condition and results of operations. In addition, any incident affecting the Issuer’s third-party service providers’ infrastructure that may be caused by cyber-attacks, natural disasters, fire, flood, severe storm, earthquake, power loss, telecommunications failures, terrorist or other attacks and other similar events beyond its control could negatively affect its cloud-based solutions. A prolonged service disruption affecting the Issuer’s cloud-based solutions for any of the foregoing reasons would adversely impact its ability to serve its customers, damage its reputation, expose it to liability, cause it to lose customers or otherwise harm its business. The Issuer may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the third-party services it uses.

In the event that the Issuer’s service agreements with its third-party service providers are terminated, or there is a lapse of service, elimination of services or features that the Issuer utilises, interruption of internet service provider connectivity, or damage to such facilities, the Issuer could experience interruptions in access to its platform as well as significant delays and additional expense in arranging or creating new facilities and services and/or re-architecting its software solutions for deployment on a different cloud infrastructure service provider, which could adversely affect its business, financial condition and results of operations.

Moreover, the Issuer’s cloud computing service providers may become subject to regulations that could interfere with its use of such services. On 29 January 2024, the U.S. Department of Commerce published proposed regulations that would, if passed as proposed, require U.S. IaaS providers, including certain U.S.

cloud computing service providers, to, among other requirements, verify the identities and ownerships of their foreign customers. If passed, the proposal will require U.S. IaaS providers and their resellers to collect “know your customer” information from foreign customers about their foreign account owners and beneficial owners to verify foreign customers’ identities and notify customers about the disclosure of identifying information to the federal government. The proposed regulations also outline procedures for the U.S. Department of Commerce to authorise measures to deter foreign malicious cyber actors’ use of U.S. IaaS products. These measures could include prohibitions on use of U.S. IaaS products by persons or entities in specific jurisdictions that the U.S. Department of Commerce determines have a significant number of foreign persons who either offer or use U.S. IaaS products for malicious cyber activities. The proposed regulations would also require IaaS providers and their resellers to report to the U.S. Department of Commerce when they have knowledge that a transaction with a foreign person results in or could result in training large AI models with capabilities that could be used in malicious cyber-enabled activities. The Issuer’s U.S. cloud computing service providers may be characterised as U.S. IaaS providers under the proposed regulations. If the proposed regulations pass in their current form, the Issuer may be required to provide additional information about its owners to allow such providers to verify its ownership structure. In addition, the U.S. Department of Commerce may take action under such regulations to restrict the Issuer’s use of such cloud computing service providers. If the Issuer is restricted from using such services, it may need to identify new cloud computing service providers to support its business, which could increase costs for its business or entail a disruption of its business activities. The Issuer also may be unable to find alternative services that provide equivalent levels of service or functionality to the U.S. cloud computing service providers that the Issuer currently engages, which could disrupt or diminish its business activities.

Data corruption, cyber-based attacks or network security breaches may materially and adversely affect the Issuer’s reputation, business, financial condition, results of operations and prospects.

In the ordinary course of the Issuer’s business, it collects, stores and transmits pre-clinical study data and other confidential data, including R&D information, IP and proprietary business information owned or controlled by it or other parties. The Issuer manages and maintains its applications and data utilising a combination of on-site systems and cloud-based application systems. The Issuer utilises external security and infrastructure vendors to maintain its information security management system. The Issuer faces a number of risks relative to protecting these critical data and information, including material system failure or security breach, loss of access and data, inappropriate use or disclosure, inappropriate modification and the risk of inability to adequately monitor, audit and modify its controls over its critical data and information. This risk extends to the Issuer’s vendors and subcontractors it uses to manage its sensitive data and its collaborators who share sensitive data with the Issuer.

The secure processing, storage, maintenance and transmission of this critical information are vital to the Issuer’s operations, and it devotes significant resources to protecting such information. Although the Issuer takes measures to protect sensitive data from unauthorised access, use or disclosure, its information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other malicious or inadvertent disruptions. In addition, while the Issuer has implemented security measures and a formal, dedicated enterprise security programme to prevent unauthorised access to confidential data, such data is accessible through multiple channels, and there is no guarantee the Issuer can protect its data from breach. Failures in the Issuer’s information technology infrastructure may result in delays in its drug R&D efforts, which may in turn materially and adversely affect its reputation, business, financial condition, results of operations and prospects.

The Issuer also relies on multiple U.S.-based cloud service providers, including AWS (U.S.-East), Azure (U.S.-West) and Google Cloud (U.S.-Central1). All data centres are hosted in the U.S., and no data originating from, or relating to, U.S. persons or U.S. operations is stored or processed on any cloud infrastructure located in China. To maintain segregation between U.S.-origin data and other data sets, the Issuer implements region-specific

deployments, strict access controls and compliance monitoring. However, reliance on multiple cloud platforms introduces complexity and potential vulnerabilities, including risks of misconfiguration, inconsistent security policies and integration errors. Any failure to maintain segregation or inadvertent transfer of U.S.-origin data to non-U.S. infrastructure could expose the Issuer to regulatory scrutiny, contractual liability, reputational harm and operational disruption.

Further, the use of third-party cloud infrastructure creates cybersecurity risks, including susceptibility to sophisticated attacks targeting cloud environments or supply chains. The regulatory landscape governing data localisation, cross-border transfers and cloud security continues to evolve in both the U.S. and China, and future changes in laws or enforcement practices could impose additional compliance obligations, require costly system redesigns or restrict certain data processing activities. Failure to comply with such requirements could materially and adversely affect the Issuer's operations, reputation and financial condition.

If the Issuer's wet labs or R&D facilities fail to comply with applicable regulatory requirements, or become damaged or inoperable, its ability to perform chemical compound synthesis and other experiments may be jeopardised.

The Issuer's wet labs are subject to extensive regulations in China. For example, the operation of the Issuer's labs for pathogenic microorganism experiments requires approvals and accreditation from the NHC or their respective local offices, which the Issuer has already obtained. If the Issuer builds new wet labs to further grow its experimental services, it may be required to obtain additional NHC approvals and accreditation. The Issuer cannot guarantee that it will be able obtain such approvals and accreditation in a timely manner, or at all, as the NHC approval and accreditation process may be costly and lengthy. If the Issuer fails to maintain or renew any major licence, permit, certificate, approval or accreditations for all or any of its wet labs, or if it or its labs are found to be non-compliant with any applicable laws or regulations, it may face penalties, suspension of operations or even revocation of operating licences, depending on the nature of the findings, any of which could materially and adversely affect the Issuer's business, financial condition and results of operations.

In addition, if a wet lab or R&D facility or equipment becomes damaged or inoperable, including due to technical issues, accidents and injuries, the Issuer may not be able to replace its experiment capacity quickly or at all. In the event of a temporary or protracted loss of a lab, facility or equipment, the Issuer may face delays that could impact the delivery of its solutions and services, and it might not be able to rebuild any of them in a timely manner. Even if the Issuer could rebuild them, it would likely be time-consuming, particularly since any new lab would need to comply with necessary regulatory requirements and receive certain regulatory approvals. Any damage or interruption of the Issuer's lab operations could result in its inability to satisfy the demand of its intelligent robotics solutions and could materially harm its business, financial condition and results of operations.

If the Issuer's security measures are breached or unauthorised access to its own, its customers' or its collaborators' data is otherwise obtained, the Issuer's solutions may be perceived as not being secure, its customers and its collaborators may reduce the use of or stop using the Issuer's solutions and services, and the Issuer may incur significant liabilities.

The Issuer's solutions and services involve the collection, analysis and storage of its own and its customers' and collaborators' proprietary information and sensitive proprietary data related to the R&D efforts of the Issuer's customers and collaborators. As a result, unauthorised access or security breaches, as a result of third-party action, employee error, malfeasance or otherwise could result in the loss of information, litigation, indemnity obligations, damage to the Issuer's reputation and other liability. The Issuer has built a comprehensive information security management system that has received the ISO27001 certification, which is a widely accepted and applied system certification standard in the field of information security. However, because the techniques used to obtain unauthorised access or sabotage systems change frequently and generally

are not identified until they are launched against a target, the Issuer may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, if the Issuer's employees fail to adhere to practices the Issuer has established to maintain a firewall and proper access control on a need-to-know basis among the Issuer's teams that work with the Issuer's customers and collaborators on drug discovery programs, and the Issuer's teams that work with intelligent automation customers, or if the technical solutions the Issuer has adopted malfunction, the Issuer's customers and collaborators may lose confidence in the Issuer's ability to maintain the confidentiality of their IP, the Issuer may have trouble attracting new customers and collaborators, the Issuer may be subject to breach of contract claims by its customers and collaborators and the Issuer may suffer reputational and other harm as a result. Any of these issues could adversely affect the Issuer's ability to attract new customers and collaborators, cause existing customers or collaborators to elect to not to procure additional services from the Issuer or enter into new collaborations with it, result in reputational damage or subject it to third-party lawsuits or other action or liability, which could adversely affect its operating results.

The Issuer is subject to complex and evolving laws, regulations and governmental policies regarding privacy, data protection and cybersecurity. Actual or alleged failure to comply with existing or future laws and regulations related to privacy, data protection and cybersecurity could lead to government enforcement actions, which could include civil, administrative or criminal fines or penalties, investigation or sanction by regulatory authorities, private litigation, other legal liabilities and/or adverse publicity. Compliance or failure to comply with such laws could increase the costs of the Issuer's solutions and services, limit their use or adoption and otherwise negatively affect its operating results and business.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of personal information and important data worldwide is evolving. Regulatory authorities in virtually every jurisdiction in which the Issuer operates have implemented and are considering a number of legislative and regulatory proposals concerning data protection.

Regulatory authorities in China have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), or the Cybersecurity Law, which became effective in June 2017 and most recently amended in October 2025 and came into effect in January 2026, established the PRC's first national-level cybersecurity and data protection framework for "network operators," which may include all organisations in the PRC that connect to or provide services over the internet or other information network. The Cybersecurity Law requires network operators to perform certain obligations related to cybersecurity protection. In addition, the Cybersecurity Law imposes certain requirements on critical information infrastructure operators, or the CIOs. For example, CIOs generally shall, during their operations in the PRC, store the personal information and important data collected and generated within the territory of the PRC and shall perform certain security obligations as required under the Cybersecurity Law, including that the CIOs shall apply for the cybersecurity review when purchasing a network product or service which affects or may affect national security. In addition, the Data Security Law of the PRC (《中華人民共和國數據安全法》), or the Data Security Law, which was promulgated by the Standing Committee of PRC National People's Congress, or the SCNPC, on 10 June 2021 and came into effect on 1 September 2021, outlines the main framework of data security protection. For example, the Data Security Law introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests or the legitimate rights and interests of individuals or organisations when such data is tampered with, destroyed, leaked or illegally acquired or used. Processors of "important data" are further required to conduct periodic risk assessment and submit an assessment report to relevant regulatory authorities. In addition, the Data Security Law provides a national security review procedure for those data activities which affect or may affect national security. Furthermore, Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), or the CII Protection Regulations, which was promulgated by the State Council

of PRC on 30 July 2021 and came into effect on 1 September 2021, stipulates the obligations and liabilities of the regulators, society and CIOs in protecting the security of critical information infrastructure, or the CII. According to the CII Protection Regulations, regulators supervising specific industries shall formulate detailed guidance to identify and determine the CII in the respective sectors, and CIOs shall take the responsibility to protect the CII's security by performing certain prescribed obligations. For example, CIOs are required to conduct network security test and risk assessment, report the assessment results to relevant regulatory authorities and timely rectify the issues identified at least once a year.

Furthermore, on 28 December 2021, the CAC and other twelve PRC regulatory authorities jointly promulgated the revised Measures for Cybersecurity Review (《网络安全审查办法》), or the Cybersecurity Review Measures, which became effective on 15 February 2022. The Cybersecurity Review Measures provide that, among others, network platform operators processing personal information of more than one million users that seek listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. Member authorities of the Cybersecurity Review mechanism may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

As of the date of this Offering Circular, although the Issuer has not been designated as a CIO by any PRC governmental authorities, it is difficult for the Issuer to foresee the outcome of the implementation and enforcement of the related laws and regulations. If the Issuer is designated as a CIO, or deemed as processing any important data according to the Cybersecurity Law, Data Security Law and other relevant laws and regulations, the Issuer may need to perform or be subject to certain prescribed obligations, and if it were found to be in violation of these applicable laws and regulations, it may be subject to administrative penalties, including fines and service suspension. The Issuer also cannot rule out the possibility that certain of its customers may constitute CIOs, in which case its provision of network solutions or services, if deemed as activities that affect or may affect national security, will be subject to cybersecurity review before the Issuer can enter into agreements with such customers, and before the conclusion of such procedure, the customers will not be allowed to use its solutions or services. If the reviewing authority considers that the use of the Issuer's solutions or services by certain of its customers involves risk of disruption, is vulnerable to external attacks or may negatively affect, compromise or weaken the protection of national security, the Issuer may not be able to provide its solutions or services to such customers, which could have a material adverse effect on its results of operations and business prospects.

As of the date of this Offering Circular, the Issuer has not been involved in any investigations on cybersecurity review initiated by the Cyberspace Administration of China, and the Issuer has not received any formal inquiry, notice, warning, sanctions in such respect or any regulatory objections from the Cyberspace Administration of China. As the further enactment of new laws and regulations as well as the revision, interpretation and implementation of those existing laws and regulations are still evolving, the Issuer cannot assure investors that it will be able to comply with such regulations in all respects, and it may be ordered to rectify, suspend or terminate any actions or services that are deemed illegal or incompliance by the regulatory authorities and become subject to fines and/or other penalties. If the Issuer is unable to address such issue in a timely manner or at all, it may be required to suspend or terminate its related businesses or face other penalties, its business, financial condition, results of operations and prospects could be materially harmed.

In addition, certain newly enacted or industry-specific laws and regulations may also affect the collection and transfer of personal information in China. For example, (i) the SCNPC promulgated the Personal Information Protection Law of the PRC (《中华人民共和国个人信息保护法》) (effective on 1 November 2021), which outlines the main framework and comprehensive requirements of personal information protection and processing (including but not limited to cross-border transfer); and (ii) the PRC State Council promulgated the Regulations on the Administration of Human Genetic Resources of the PRC (《中华人民共和国人类遗传资源管理条例》) (effective on 1 January 2023), which regulates the collection, storage, use, and transfer of human genetic resources.

源管理條例》) (effective in July 2019 and recently amended in 2024) and Implementation Rules of Regulations on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》) (effective in July 2023), and the Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (effective in April 2021 and recently amended in 2024) which require approval from the science and technology administration department of the State Council where human genetic resources, or the HGR, are involved in any international collaborative programme and additional approval for any export or cross-border transfer of the HGR samples or associated data.

It is difficult for the Issuer to foresee the outcome of the application and enforcement of privacy, data protection and cybersecurity laws in China and elsewhere. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Issuer's future practices, potentially resulting in confiscation of HGR samples and associated data that the Issuer may collect in its future practices and administrative fines. Any change in laws and regulations relating to privacy, data protection and information security, and any enhanced and scrutinised governmental enforcement action of such laws and regulations, could greatly increase the Issuer's cost in providing its solutions and services, limit their use or adoption or require certain changes to be made to its operations.

In the U.S., the Issuer is subject to laws and regulations that address privacy, personal information protection and data security at both the federal and state levels. Numerous laws and regulations, including security breach notification laws, health information privacy laws and consumer protection laws, govern the collection, use, disclosure and protection of health-related and other personal information. Given the variability and evolution of these laws, the exact interpretation of the new requirements is subject to the views of the competent governmental agencies, amongst others, and the Issuer may be unsuccessful in implementing all measures required by regulators or courts in their interpretation.

Any failure or perceived failure by the Issuer to comply with applicable laws and regulations could result in reputational damage or proceedings or actions against it by governmental entities, individuals or others. These proceedings or actions could subject the Issuer to significant civil, administrative or criminal penalties and negative publicity, require it to change, or even suspend its business practices, increase its costs and materially harm its business, prospects, financial condition and results of operations. In addition, the Issuer's relationships with customers, vendors, collaborators and other third parties could be negatively affected by any proceedings or actions against it or data protection obligations imposed on them under applicable law.

The Issuer may not be able to attract and retain senior management members and other key personnel.

The Issuer's future success depends upon the continuing services of members of its senior management team and other key personnel. Although the Issuer typically requires its senior management and other key personnel to enter into non-compete and confidentiality agreements with it, they may elect to join the Issuer's competitors after the non-compete periods have lapsed. The loss of their services could adversely impact the Issuer's ability to achieve its business objectives. If one or more of the Issuer's senior management and other key personnel are unable or unwilling to continue in their present positions, joins a competitor or forms a competing business, the Issuer may not be able to replace them in a timely manner or at all, which will have a material and adverse effect on its business, financial condition and results of operations. There is no guarantee that the Issuer can attract or retain its senior management and other key personnel at terms not disadvantageous to it, or at all.

In addition, the continued growth of its business depends on its ability to hire additional qualified personnel with expertise in AI, quantum physics-based computation, automation, molecular biology, chemistry, biological information processing, software, engineering and technical support. The Issuer competes for qualified management and scientific personnel with other life science and technology companies, universities and research institutions in China and overseas. Competition for these individuals is intense, and the turnover rate

can be high. Failure to attract and retain management and R&D personnel could prevent the Issuer from pursuing collaborations, developing its technologies, or growing its business.

If the Issuer engages in future acquisitions or strategic collaborations, this may increase its capital requirements, cause it to incur debt or assume contingent liabilities and subject it to other risks.

The Issuer may evaluate various acquisitions and strategic collaborations, including licensing in or acquiring complementary IP rights, technologies or businesses. Any potential acquisition or strategic collaboration may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- assimilation of operations, IP and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of its management's attention from its existing business and initiatives in pursuing such a strategic merger or acquisition;
- the costs associated with identifying investment, acquisition or collaboration targets;
- retention of key employees, the loss of key personnel and uncertainties in its ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing services or technologies; and/or
- its inability to generate sufficient revenue from acquired technologies and/or businesses to meet its objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if the Issuer undertakes acquisitions, it may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortisation expense. Moreover, the Issuer may not be able to locate suitable acquisition opportunities and this inability could impair its ability to grow or obtain access to technology or businesses that may be important to the development of its business.

The Issuer has engaged and may continue to pursue collaborations or licensing arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements, which may fail to produce anticipated benefits and adversely affect its operations.

The Issuer has invested in companies that it thinks share synergies with its business. The Issuer may continue to pursue opportunities for collaborations, out-licensing, joint ventures, acquisitions of business or technology, strategic alliances or partnerships that it believes would advance its development. The Issuer may consider pursuing growth through the acquisition of technology, assets or other businesses that may enable it to enhance its technologies and capabilities. Proposing, negotiating and implementing these opportunities may be a lengthy and complex process. The Issuer's competitors, including those with substantially greater financial, marketing, technology or other business resources, may compete with it for these opportunities or arrangements. The Issuer may not be able to identify, secure or complete any such transactions or arrangements in a timely manner, on a cost-effective basis and acceptable terms, or at all.

To the extent that the Issuer is successful in entering into such commercial arrangements, the management and integration required of a licensing arrangement, collaboration, joint venture or other strategic arrangements may disrupt its current operations, result in significant expenses, decrease its profitability or divert management resources that otherwise would be available for its existing business. The Issuer may not realise the anticipated

benefits of any or all of its collaborations or licensing arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements in the time frame expected or at all. In addition, certain collaborations or partnership agreements may include provisions for milestone or other contingent payments to be received by the Issuer, based upon the achievement of technical, commercial or regulatory objectives. The timing and amount of any such milestone payments is subject to significant uncertainties, and actual receipt is dependent upon factors such as the successful progression of development activities, cooperation of the counterparty, regulatory approval, market conditions and other external influences beyond the Issuer's control. As a result, there can be no assurance that any anticipated milestone payments will be received when expected, in full, or at all, which could adversely affect the Issuer's liquidity, business, financial condition and operating results.

In addition, valuations supporting the Issuer's acquisitions and strategic investments could change rapidly. Following any such transaction, there could be impairments in valuations or other-than-temporary declines in fair value, which could materially adversely affect its business, financial condition and operating results through the write-off of goodwill and other impairment charges.

Furthermore, partners, collaborators or other parties to such transactions or arrangements may fail to fully perform their obligations or meet the Issuer's expectations or cooperate with it satisfactorily for various reasons and subject it to potential risks, including that partners, collaborators or other parties:

- have significant discretion in determining the efforts and resources that they will apply to a transaction or arrangement;
- could independently develop, or develop with third parties, services and products that compete directly or indirectly with the product candidates developed under the collaboration with the Issuer;
- may stop, delay or discontinue clinical trials as well as repeat clinical trials or conduct new clinical trials by using the Issuer's IP or proprietary information;
- may not properly maintain or defend the Issuer's IP rights, or may use its IP or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardise or invalidate its IP or proprietary information, or expose the Issuer to potential liabilities;
- may have disputes with the Issuer that cause the delay or termination of the research, development or commercialisation of the product candidates developed under the collaboration with the Issuer, or that result in costly litigation or arbitration that diverts management's attention and resources; and
- may own or jointly own IPs covering the product candidates developed under the collaboration with the Issuer, and in such cases, deny it the exclusive right to commercialise such IPs.

Any such transactions or arrangements may also require actions, consents, approval, waiver, participation or involvement of various degrees from third parties, such as regulators, government authorities, creditors, licensors or licensees, related individuals, suppliers, distributors, shareholders or other stakeholders or interested parties. There is no assurance that such third parties will be cooperative as the Issuer desires, or at all, in which case it may be unable to carry out the relevant transactions or arrangements.

Furthermore, as the Issuer owns minority interests in most of the drug candidates that are developed under collaborations, the Issuer does not have control over most of those drug candidates and its drug discovery collaborators have significant discretion in determining when to make announcements about the status of the Issuer's collaborations, including about pre-clinical and clinical developments and timelines for advancing the collaborative programmes. The Issuer's drug discovery collaborators, and in particular, the privately held collaborators, may wish to report such information more or less frequently than the Issuer intends to or may not wish to report such information at all. Moreover, where the realisation of milestone or contingent payments

depends on actions, decisions or reporting by such collaborators, the lack of control or information may increase the uncertainty and unpredictability associated with the Issuer's ability to receive such payments. As a result of the public announcement of unexpected results or adverse developments in its collaborations, or as a result of its collaborators withholding such information, the occurrence of any of these events may have a material adverse effect on the Issuer's business, financial condition and results of operation.

The Issuer partners with third parties to monitor, support and conduct its on-going pre-clinical studies. Therefore, the Issuer may not be able to directly control the timing, conduct, expense and quality of its pre-clinical studies, and it cannot assure these third parties can duly perform their obligations as agreed and expected.

The Issuer partners with research organisations that are beyond its control to monitor, support and conduct its on-going pre-clinical studies. For instance, the Issuer utilises third parties to synthesise certain molecules, such as peptides, with therapeutic potential that it discovers. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, if there are disagreements between the Issuer and such parties, or if such parties are unable to expand capacities, the Issuer may not be able to fulfil or may be delayed in providing services or producing sufficient product candidates to meet its customers' or collaborators' supply requirements. These third parties may also be affected by natural disasters, such as floods or fire, or geopolitical developments, or such third parties could face production issues, such as contamination or regulatory concerns following a regulatory inspection of facilities of the third parties, which would cause delay and increased expense and have a material adverse effect on the Issuer's business. As a result, the Issuer has less control over the quality, timing and cost of these studies. The Issuer cannot assure investors that these third parties can meet expected quality and timetable or can always be in compliance with regulatory requirements. Any failures of these third parties to duly perform their obligations may result in a delay or termination of the Issuer's solutions or services. In addition, if the Issuer is unable to maintain or enter into agreements with these third parties on acceptable terms, or if any such engagement is terminated, it may be unable to complete the pre-clinical studies on a timely basis or otherwise conduct the pre-clinical studies in the manner it anticipates.

The Issuer is dependent on a stable and adequate supply of quality raw materials, equipment and other supplies. Any price increases and/or supply interruptions could adversely affect its margins and results of operations.

The Issuer procures R&D equipment, raw materials, reagent consumables and other goods and services from third-party suppliers and service providers for its operations. Unsatisfactory performance by these third parties, including their failure to provide supplies according to the applicable legal and regulatory requirements, the terms of the Issuer's contracts or its standards, could adversely affect the quality of the Issuer's services and damage its reputation.

Furthermore, prices of goods and services procured from such third parties may increase in the future. The prices of its supplies may be affected by a number of factors, including market supply and demand, the PRC or international environmental and regulatory requirements, natural disasters and economic conditions in China and around the world. In the event of significant price increases for such supplies, the Issuer may have to pass the increased costs to its consumers. However, the Issuer cannot assure investors that it will be able to raise the prices of its solutions and services sufficiently to cover such increased costs. As a result, any significant increase in the prices of its supplies may have an adverse effect on its profitability and results of operations.

The Issuer may also encounter shortages in its supplies necessary to synthesise molecules it may discover in the quantities needed for pre-clinical studies or other experiments, as a result of capacity constraints or delays or disruptions in the market, in particular in light of supply chain disruptions due to global pandemic, natural disasters and international trade tensions, among other factors. Even if its required supplies are available, the

Issuer may be unable to obtain sufficient quantities at an acceptable cost or quality. The Issuer's failure to obtain supplies in sufficient amounts and at commercially acceptable terms could delay, prevent or impair its R&D efforts and may have a material adverse effect on its business, financial condition, results of operation and prospects.

The Issuer's reputation is important to its business success. Negative publicity about the Issuer, its management, employees, affiliates and third-party collaborators and partners may adversely affect the Issuer's brand, reputation and business prospects.

The Issuer's brand is important to attracting and retaining customers and collaborators and the Issuer's success depends on its ability to maintain and enhance its brand image and reputation. Maintaining, promoting and growing the Issuer's brands depend largely on the success of its ability to provide consistent, high-quality services, the Issuer's marketing efforts and its ability to successfully secure, maintain and defend its rights to use its brands and tradenames. The Issuer's brand could be harmed if it fails to achieve these objectives.

The Issuer's brand value also depends on its ability to maintain a positive customer perception of its corporate integrity, purpose and brand culture. Any negative publicity concerning the Issuer, its management, employees, affiliates and third-party collaborators and partners, or any entity that shares the "XtalPi" name, even if untrue, could adversely affect the Issuer's reputation and business prospects. There can be no assurance that negative publicity about the Issuer or any of its management, employees or affiliates and collaborators and partners or any entity that shares the "XtalPi" name would not damage the Issuer's brand image or have a material adverse effect on its business, results of operations and financial condition.

Failure to make full contributions to social insurance and housing provident funds for its employees in accordance with the relevant PRC laws and regulations may subject the Issuer to penalties.

Companies operating in China are required to participate in various employee benefit plans, including social insurance, housing provident funds and other welfare-oriented payment obligations. The amounts of contributions should be equal to prescribed percentages of salaries, including bonuses and allowances, of its employees up to a maximum amount specified by the local governments from time to time, at the locations where the Issuer operates its businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. The relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. During the last three fiscal years, the Issuer had not made full contributions to the social insurance plan and housing provident fund based on the actual salary level of some of its employees as prescribed by relevant laws and regulations. The Issuer believes the total shortfall would not have a materially adverse impact on its business, operations and financial condition. According to the relevant PRC laws and regulations, the Issuer may be requested by relevant PRC authorities to pay the outstanding social insurance and housing provident fund contributions within a prescribed period, and it may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay. If the Issuer fails to repay the outstanding social insurance contribution within the stipulated period, it may be liable to a fine of one to three times the outstanding contribution amount. If the Issuer fails to pay housing fund contributions within the prescribed deadline, it may be subject to an order by the relevant people's court to make such payments.

As of the date of this Offering Circular, the Issuer has not made provisions for the shortfall of its social insurance and housing provident fund contributions or the potential penalties and has not received any notices, complaints or demand for payment of these outstanding contributions from the relevant government authorities. The Issuer will, upon the request of the competent authority, settle the full outstanding amounts of its social insurance and housing provident fund contributions in a timely manner, adjust the payment base for all employees' social

insurance and housing provident funds contributions as soon as practical and pay the full amounts of its social insurance and housing provident fund contributions for all employees in accordance with applicable laws and regulations.

The Issuer cannot assure investors that it will not be subject to any order from the relevant government authorities in the future to rectify such noncompliance, nor can it assure investors that there are no or will not be any employee complaints regarding payment of the social insurance funds and housing funds under the relevant laws and regulations implemented at the national, provincial or local level. The Issuer may also incur additional expenses to comply with the relevant laws and regulations implemented by the national, provincial or local authorities. If any of these occurs, its business, financial condition and results of operations may be adversely affected.

There are risks associated with the Issuer's leased properties or lease agreements. The Issuer's use of some leased properties could also be challenged by third parties or governmental authorities.

Under the applicable PRC laws, lease agreements of commodity housing tenancy are required to be registered with the local construction (real estate) departments. Although failure to do so does not in itself invalidate the leases, the parties of the lease agreements may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As of the date of this Offering Circular, the Issuer has 14 leased properties, to the extent any of these leased properties is required to obtain lease registration, including the leased properties for its Shenzhen headquarters and the automated robotic wet lab in Shanghai, the Issuer has not completed the lease registration with the relevant PRC government authorities for such leased properties. The Issuer cannot assure investors that the government authorities will not impose fines on it due to its failure to register any of its lease agreements, which may negatively impact its financial condition.

As of the date of this Offering Circular, the lessors of six of the Issuer's leased properties in China had not provided it with valid title certificates or relevant authorisation documents evidencing their rights to lease the properties, and the lessors of two of its leased properties in China were not the owners as stated on the title certificate of such leased properties. As a result, certain of these leases may not be valid, and there are risks that the Issuer may not be able to continue to occupy and use such properties. In addition, four of its leased properties remain subject to prior-registered mortgages. For these properties, the lease agreements provide that the lease may be unilaterally terminated by either party if the property is foreclosed by the relevant mortgagee. Accordingly, if the mortgagees foreclose on such properties, the Issuer could be required to vacate the premises. The Issuer cannot guarantee that suitable alternative locations will be readily available on commercially reasonable terms, or at all. If the Issuer fails to relocate its operations in a timely manner, its operations may be interrupted, and its business, financial condition, and results of operations may be materially and adversely affected.

As of the date of this Offering Circular, the Issuer was not aware of any regulatory or government actions, claims or investigations being contemplated or any challenges by third parties to its leased agreements or the use of its leased properties in connection with either the non-registration of lease agreements, the prior-registered mortgages or the contravention of the planned or permitted use of such leased properties.

The Issuer has customary insurance coverage, and any claims beyond its insurance coverage may result in it incurring substantial costs and a diversion of resources.

The Issuer maintains insurance policies that are required under PRC laws and regulations as well as other insurance policies based on its assessment of its operational needs and industry practice. In line with industry practice in the PRC, the Issuer has elected not to maintain certain types of insurances, such as business

interruption insurance or key-man insurance. The Issuer's insurance coverage may be insufficient to cover any claim for product liability, damage to its fixed assets or employee injuries. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect the Issuer's business, financial condition and results of operations.

The Issuer's employees, third-party suppliers, consultants and partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading, which could result in substantial costs and reputational harm.

The Issuer is exposed to the risk of fraud or other misconduct by its employees, third-party suppliers, consultants and partners. Misconduct by these parties could include (i) intentional or unintentional failures to comply with the regulations of the NMPA, the FDA and overseas regulators that have jurisdiction over the Issuer, or to comply with laws and regulations in China and abroad, including but not limited to those related to healthcare fraud and abuse, IP infringement, corruption and unfair competition or report financial information or data accurately or (ii) disclosure of unauthorised activities to the Issuer. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programmes and other business arrangements.

The Issuer currently has a code of conduct applicable to all of its employees, but it is not always possible to identify and deter employee misconduct, and its code of conduct and the other precautions it takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting the Issuer from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against it, and the Issuer is not successful in defending itself or asserting its rights, those actions could result in the imposition of significant civil, criminal and administrative penalties, including, without limitation, damages, monetary fines, individual imprisonment, disgorgement of profits, contractual damages, reputational harm, diminished profits and future earnings, additional reporting or oversight obligations if the Issuer becomes subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with the law and curtailment or restructuring of its operations, which could have a significant impact on its business. Whether or not the Issuer is successful in defending against such actions or investigations, it could incur substantial costs, including legal fees, reputational harm and divert the attention of management in defending itself against any of these claims or investigations.

The Issuer is subject to environmental, health and safety, fire control and construction related laws and regulations, and may be exposed to potential costs for compliance and liabilities.

The Issuer and third parties, such as its collaborators, are subject to numerous environmental, health and safety and construction related laws and regulations, including those governing lab procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. The cost of compliance with environmental protection, health, safety and construction project related regulations is substantial. For instance, the Issuer was required to complete environmental impact assessment procedures, file for archives for its construction projects and obtain permission for construction before the construction project commences for the offices and labs in its Shenzhen headquarters. The Issuer's R&D activities involve the controlled storage, use and disposal of hazardous materials, including the components of product candidates and other hazardous compounds, which requires the Issuer to file with the relevant government authority for occupational disease hazards. The Issuer cannot eliminate the risk of contamination or injury from these materials, which could cause an interruption of its commercialisation efforts, R&D efforts and business operations. The Issuer generally contracts with third parties for the disposal of these materials and wastes. The Issuer cannot guarantee that the safety procedures utilised by its partners and third-party suppliers will comply with the standards prescribed by laws and

regulations or will eliminate the risk of accidental contamination or injury from these materials. In such an event, the Issuer could be held liable for any resulting damages, and such liability could exceed its resources.

Under the PRC laws and regulations, the Issuer is required to archive files for its construction projects, obtain permission for construction and design and install occupational disease hazard prevention facilities, production safety facilities and fire control facilities for its construction projects and make necessary filings with the local competent authorities. The Issuer is also required to have these construction projects appraised by qualified third party agencies and file the acceptance reports and other requested forms with the relevant authorities if necessary. Violation of the reporting and filing requirements may result in warnings, fines or orders of rectification. The Issuer may be required to pay a fine or adopt rectification measures imposed by the competent authorities if its operation causes any occupational disease, safety accident or fire accident, failing which it may be required to suspend its operations on or use of relevant constructions.

Within the last three fiscal years, the Issuer had certain non-compliance incidents in connection with certain construction projects or leased properties, including failures to: (i) obtain construction permits and fulfil the filing of inspection and acceptance by competent authorities upon completion of the construction projects for the renovation of a Beijing Jiangtai premise and a Shenzhen Jiangtai premise; (ii) conduct the fire protection inspection filing for a Beijing Jingtai premise; and (iii) conduct investment project filing with the NDRC for the construction of a wet lab in Beijing. The Issuer has implemented and amended its internal policies regarding construction projects, environmental protection, occupational disease prevention and safety production in 2024, requiring its PRC subsidiaries to comply with the relevant legal requirements and designate a specific team to be responsible for monitoring the implementation of the foregoing policies, to avoid similar non-compliance incidents in the future. Although the Issuer believes these non-compliance incidents will not have a material and adverse impact on its business, financial condition and results of operations, the Issuer cannot assure investors that it will not be subject to any fines, penalties or other monetary or regulatory measures in the future if it fails to comply with these laws and regulations.

In addition, the Issuer may be required to incur substantial costs to comply with current or future environmental, health, safety and construction related laws and regulations which are complex, change frequently and have tended to become more stringent. Failure to duly comply with the environmental, health, safety and construction related laws and regulations may subject the Issuer to fines, warnings or rectification orders imposed by the competent authorities.

The Issuer does not currently carry biological or hazardous waste insurance coverage. In the event of an accident or environmental discharge, the Issuer may be held liable for any consequential damage and any resulting claims for damages, which may exceed its financial resources and may materially adversely affect its business, financial condition, results of operations and reputation.

The Issuer may be directly or indirectly subject to anti-bribery, anti-corruption, anti-money laundering or other similar laws, and non-compliance with such laws can subject it to administrative, civil and criminal fines and penalties, remedial measures and legal expenses, which could adversely affect its business, results of operations, financial condition and reputation.

The Issuer is subject to anti-bribery, anti-corruption and anti-money laundering laws and regulations of the jurisdictions in which it operates. For example, the Anti-Unfair Competition Law and provisions of the Criminal Code of the PRC prohibit giving and receiving money or property (which includes cash, proprietary interests and items of value) to obtain an undue benefit. Further, the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》), promulgated by the Standing Committee of the National People's Congress, prohibits money laundering. In addition, many of the Issuer's customers require it to follow strict anti-bribery as part of doing business.

In addition, although currently its primary operating business is in China, the Issuer is subject to the U.S. Foreign Corrupt Practices Act, or the FCPA. The FCPA generally prohibits the Issuer from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. The Issuer is also subject to the anti-bribery laws of other jurisdictions. As its business expands, the applicability of the FCPA and other anti-bribery laws to the Issuer's operations will increase. The Issuer's procedures and controls to monitor anti-bribery compliance may fail to protect it from reckless or criminal acts committed by its employees or agents. If the Issuer, due to either its employees' deliberate or inadvertent acts or those of others, fails to comply with the applicable anti-bribery laws, its reputation could be harmed and it could incur criminal or civil penalties, other sanctions and/or significant compliance expenses, which could have a material adverse effect on its business, financial condition, and results of operations.

Any failure to comply with applicable regulations and industry standards or obtain various licences and permits could harm its reputation and its business, results of operations and prospects.

A number of governmental agencies or industry regulatory bodies in China, the U.S. and other applicable jurisdictions impose strict rules, regulations and industry standards governing biotechnology and pharmaceutical R&D activities, which apply to the Issuer. The Issuer may be required to maintain licences, registrations, permits, authorisations, approvals, certifications, accreditations and other types of federal, state and local governmental permissions in the U.S. and China and to comply with various regulations in every jurisdiction in which the Issuer operates, including with respect to its R&D activities. Complying with the applicable regulations and industry standards can be costly, time-consuming and require additional resources, which could adversely affect the Issuer's results of operations. The failure to comply with such licensure requirements can result in enforcement actions, including the revocation or suspension of the licences, registrations or accreditations, or subject the Issuer to plans of correction, monitoring, civil money penalties, civil injunctive action and/or criminal penalties. The Issuer's, its collaborators', business partners' and/or its CROs' failure to comply with such regulations could result in the termination of ongoing research, administrative penalties imposed by regulatory bodies or the disqualification of data for submission to regulatory authorities. This could harm the Issuer's business, reputation, prospects for future work and results of operations. For example, if its CROs were to treat research animals inhumanely or in violation of international standards set out by the Association for Assessment and Accreditation of Laboratory Animal Care, it could revoke any such accreditation and the accuracy of the Issuer's animal research data could be questioned. In addition, new regulations or new interpretations of existing regulations may increase the Issuer's costs of doing business and prevent it from efficiently delivering services and expose it to potential penalties and fines.

During the last three fiscal years, the Issuer had complied with all applicable regulations, guidance and industry standards, and had obtained all licences and permits that are material to its operations. However, there can be no assurance that the Issuer will be able to maintain its existing licences, approvals, registrations or permits necessary to provide its solutions or services, renew any of them when their terms expire, update licences or obtain additional licences, approvals, permits, registrations or filings necessary for its business expansion from time to time. If the Issuer fails to do so, its business, financial condition and operational results may be materially and adversely affected.

The Issuer is subject to risks relating to disputes and legal proceedings, which could have a material adverse effect on its business, financial condition and results of operations.

The Issuer may be subject to claims, disputes or legal proceedings of various types brought by its competitors, employees, customers, business partners or others against it in matters relating to contractual or labour disputes, IP infringements or the misconduct of its employees. The Issuer cannot assure investors that it will not be subject to similar disputes, complaints or legal proceedings in the future, which may damage its reputation, evolve into litigation or otherwise have a material adverse impact on its reputation and business. Litigation is expensive, subjects the Issuer to the risk of significant damages, requires significant management time and

attention, and could have a material and adverse effect on the Issuer's business, financial condition and results of operations. The outcomes of actions the Issuer institutes may not be successful or favourable to it. Lawsuits against the Issuer may also generate negative publicity that significantly harms its reputation, which may adversely affect its customer base. The Issuer may also need to pay damages or settle lawsuits with a substantial amount of cash. As advised by its PRC legal advisor, as of the date of this Offering Circular, the Issuer did not have any material pending proceedings that are likely to have a material adverse effect on it. However, if in the future there are any adverse determinations in legal proceedings against the Issuer, it could be required to pay substantial monetary damages or adjust its business practices, which could have a material and adverse effect on its business, financial condition and results of operations.

The Issuer's business, results of operations and financial condition may be adversely affected by natural disasters, health epidemics and pandemics, civil and social disruption and other outbreaks, such as the COVID-19 outbreak.

A vast majority of the Issuer's operations and workforce are based in China and the U.S. China and the U.S. have in the past experienced significant natural disasters, including earthquakes, extreme weather conditions, as well as health scares related to epidemic diseases. Any similar event could materially impact the Issuer's business in the future. Although the Issuer maintains incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, such as power disruptions, computer viruses, data security breaches or terrorism, it may be unable to continue its operations and may endure system interruptions, reputational harm, delays in its development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect its business, results of operations and financial condition. In addition, its business could be affected by public health epidemics and pandemics, such as the outbreak of avian influenza, severe acute respiratory syndrome, or SARS, Zika virus, Ebola virus, COVID-19 or other diseases. Even if the Issuer is not directly affected, such a disaster or disruption could affect the operations or financial condition of its customers, which could harm the Issuer's results of operations. If any of its employees is suspected of having contracted a contagious disease, the Issuer may be required to apply quarantines or suspend its operations. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of the Issuer's offices or otherwise disrupt its business operations and adversely affect its financial condition and results of operations.

Risks Related to the Issuer's Intellectual Property

The Issuer's commercial success depends significantly on its ability to operate without infringing upon, misappropriating or otherwise violating the IP rights of third parties.

The markets in which the Issuer operates are subject to rapid technological change and substantial litigation regarding patent and other IP rights. The Issuer's competitors may have substantially greater resources to make substantial investments in patent portfolios and competing technologies and may apply for or obtain patents that could prevent, limit or otherwise interfere with the Issuer's ability to make, use and sell its solutions or technologies. Numerous third-party patents exist in fields relating to its technologies, and it is difficult for industry participants, including the Issuer, to identify all third-party patent rights relevant to its solutions or technologies. Moreover, because some patent applications are maintained as confidential for a certain period of time, the Issuer cannot be certain that third parties have not filed patent applications that cover its solutions and technologies.

Patents could be issued to third parties, and the Issuer may ultimately be found to infringe such patents. Third parties may have or may have obtained valid and enforceable patents or proprietary rights that could block the Issuer from using its technologies. The Issuer's failure to obtain or maintain a licence to any third-party IP rights

that the Issuer requires may materially harm its business, financial condition and results of operations. Furthermore, the Issuer would be exposed to the risk of litigation.

Third-party IP right holders may also actively bring infringement or other IP-related claims against the Issuer, even if it has patent and other IP protection for its technologies, solutions, and services. Regardless of the merit of third parties' claims against the Issuer for infringement, misappropriation or violations of their IP rights, such third parties may seek and obtain injunctive or other equitable relief, which could effectively block the Issuer's ability to continue to offer its solutions and services. Further, if a patent or other IP infringement suit were brought against the Issuer, it could be forced to stop or delay its R&D activities and the provision of its solutions and services, the regulatory approval process, the use of the challenged trademarks or other activities that are the subject of such suit. Defence of these claims, even if such claims are resolved in its favour, could cause the Issuer to incur substantial expenses and be a substantial diversion of its resources even if the Issuer is ultimately successful. Any adverse ruling or perception of an adverse ruling in defending any action could have a material adverse impact on the Issuer's cash position and financial condition. Such litigation or proceedings could substantially increase the Issuer's operating costs and reduce the resources available for R&D activities, or any future sales, marketing or distribution activities. The Issuer may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of the Issuer's competitors may be able to sustain the costs of such litigation or proceedings more effectively than the Issuer can because of their greater financial resources and more mature and developed IP portfolios.

Furthermore, because of the substantial amount of discovery required in connection with IP litigation in the U.S., there is a risk that some of its confidential information could be compromised by disclosure requirements during such litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the Issuer's business, financial condition and results of operation.

The Issuer may become involved in lawsuits to protect or enforce its patents or other IP, which could be expensive, time consuming and unsuccessful, and any unfavourable outcome from such litigation could limit its R&D activities and/or its ability to commercialise its solutions and services.

Competitors may infringe the Issuer's patent rights or misappropriate or otherwise violate its IP rights. To counter infringement or unauthorised use, the Issuer may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of its management and scientific personnel. Any claims the Issuer asserts against perceived infringers could provoke these parties to assert counterclaims against it, alleging that the Issuer infringed their patents. In addition, in a patent infringement proceeding, there is a risk that a court will decide that a patent of the Issuer's is invalid or unenforceable, in whole or in part, and that the Issuer does not have the right to preclude the other party from using the invention at issue. There is also a risk that, even if the validity of the Issuer's patents is upheld, the court will construe its patent claims narrowly or decide that the Issuer does not have the right to preclude the other party from practicing the invention at issue on the grounds that its patents do not cover the invention. An adverse outcome in litigation or other quasi-judicial proceedings involving the Issuer's patents could limit its ability to assert its patents against those parties or other competitors and may curtail or preclude its ability to exclude third parties from making and selling similar or competitive solutions. Any of these occurrences could adversely affect its competitive business position, business prospects and financial condition. Similarly, if the Issuer asserts trademark infringement claims, a court may determine that the marks the Issuer has asserted are invalid or unenforceable or that the party against whom it has asserted trademark infringement has superior rights to the marks in question. In this case, the Issuer could ultimately be forced to cease use of such trademarks.

In any infringement litigation, any award of monetary damages the Issuer receives may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with IP litigation, there is a risk that some of the Issuer's confidential information could be compromised by disclosure during

litigation. Moreover, there can be no assurance that the Issuer will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if the Issuer ultimately prevails in such claims, the monetary cost of such litigation and the diversion of the attention of its management and scientific personnel could outweigh any benefit the Issuer receives as a result of the proceedings.

The Issuer's obligations under its collaboration agreements may limit the IP rights that are important to its business. If the Issuer fails to comply with its obligations under its collaboration agreements, it could lose IP rights that are important to its business.

The Issuer is party to and may continue to pursue collaborations with certain biotechnology and pharmaceutical companies, pursuant to which it participates in drug design and discovery and has either joint ownership or no ownership rights to certain IP generated through the collaborations. If the Issuer is unable to obtain ownership or licensing of such IP generated through its collaborations, which overlap with or relate to its own proprietary technologies, its business, financial condition, results of operations and prospects could be materially harmed.

The Issuer's collaboration agreements contain certain exclusivity obligations that require it to design compounds exclusively for its collaborators with respect to certain specific targets over a specified time period. These collaboration agreements may impose diligence obligations on the Issuer. In spite of its best efforts, the Issuer's collaborators may conclude that it has materially breached its collaboration agreements. In addition, if these collaboration agreements are terminated, or if the underlying IP, to the extent the Issuer has ownership or licence of the same, fails to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, solutions and technology identical to the Issuer's. This could have a material adverse effect on the Issuer's competitive position, business, financial condition, results of operations and prospects. Disputes may arise regarding the Issuer's IP that is subject to a collaboration agreement, including:

- the scope of ownership or licence granted under the collaboration agreement;
- the extent to which the Issuer's technologies, solutions and services infringe on IP that is generated through a collaboration, of which it does not have ownership or licence under such collaboration agreement;
- the assignment or sub-licence of IP rights and other rights under the collaboration agreement;
- the Issuer's diligence obligations under the collaboration agreement and what activities satisfy those diligence obligations; and
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of IP by the Issuer and its collaborators.

In addition, collaboration agreements are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what the Issuer believes to be the scope of its rights to the relevant IP or increase what it believes to be its obligations under the relevant agreements, either of which could have a material adverse effect on its business, financial condition, results of operations and prospects. Moreover, if disputes over IP that the Issuer has owned, co-owned or in-licensed under the collaboration agreements prevent or impair its ability to maintain its collaboration arrangements on commercially acceptable terms, the affected technologies, solutions or services may not be able to successfully develop and commercialise, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer may be unsuccessful in obtaining or maintaining patent or other adequate IP protection for its technologies, solutions or services, due to any rejections of its patent applications or licensed patent applications. If the Issuer's issued patents are determined invalid or unenforceable when challenged in court or before administrative bodies, third parties could develop and commercialise solutions and technologies similar or identical to the Issuer's and compete directly against it, and the Issuer's ability to successfully commercialise any technology, solutions or services may be adversely affected.

The Issuer's commercial success will depend, in large part, on its ability to obtain, maintain and defend patent and other IP protection with respect to its integrated technology platform, such as its *in silico* tools, algorithms, automation and other technologies. The Issuer seeks to protect its proprietary position by filing patent applications in China, the U.S. and other applicable jurisdictions as well as under the Patent Cooperation Treaty, or the PCT, related to its technologies, solutions and services which the Issuer may develop that are important to its business and by in-licensing IP related to its technologies, solutions and services. If the Issuer is unable to obtain or maintain patent protection with respect to any proprietary technologies, solutions or services, its business, financial condition, results of operations and prospects could be materially harmed.

The Issuer cannot be certain that patents will be issued or granted with respect to its patent applications that are pending or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect its technologies, solutions and services or otherwise provide it with any competitive advantage. The patent position of biotechnology and pharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. Patent applications the Issuer has submitted may not be granted in the end. Moreover, some of the Issuer's patents and patent applications are, and may in the future be, jointly owned with third parties. If the Issuer is unable to obtain an exclusive licence to any such third-party jointly-owned interest in such patents or patent applications, such joint owners may be able to license or assign their rights to other third parties, including the Issuer's competitors, and its competitors could market competing solutions and services and/or use the same technologies. In addition, the Issuer may need the cooperation of any such joint owners of its patents in order to enforce such patents against third parties, and it may not be able to achieve such cooperation. Furthermore, certain of the Issuer's patents were used as collateral to secure its financing activities, and if the Issuer fails to repay certain loans, it may not be able to maintain such patent rights. Any of the foregoing could have a material adverse effect on its competitive position, business, financial condition, results of operations and prospects. As such, the Issuer does not know the degree of future protection that it will have on its technologies, solutions and services, if any, and a failure to obtain adequate IP protection with respect to its technologies, solutions and services could have a material adverse impact on its business.

While the Issuer can take measures to obtain patent and other IP protections with respect to its technologies, solutions and services, there can be no assurance that the existence, validity, enforceability or scope of its IP rights will not be challenged by a third party or that it can obtain sufficient scope of claim in those patents to prevent a third party from utilising its technologies or competing against its solutions or services. For example, in an infringement proceeding, a court may decide that patent rights or other IP rights owned by it are invalid or unenforceable or may refuse to order the other party to refrain from utilising the technology at issue on the ground that its patent rights or other IP rights do not cover the technology in question. An adverse result in any litigation or administrative proceedings could put the Issuer's patents, as well as any patents that may issue in the future from its 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 IP litigation, there is a risk that some of the Issuer's confidential information could be compromised by disclosure during this type of litigation.

In addition, if the Issuer were to initiate legal proceedings against a third party to enforce a patent covering its technologies, solutions and services, the defendant could counterclaim that the Issuer's patent is invalid and/or

unenforceable. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such mechanisms include *ex parte* re-examination, *inter partes* review, post-grant review, derivation and equivalent proceedings, such as opposition proceedings. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, unpatentable subject matter, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant material information from the United States Patent and Trademark Office, or the applicable foreign counterpart, or made a misleading statement, during prosecution. Although the Issuer believes that it has conducted its patent claims in accordance with the duty of candour and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, the Issuer would lose at least part, and perhaps all, of the patent protection on its technologies, solutions or services. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, its patent claims may be construed in a manner that would limit its ability to enforce such claims against the defendant and others. Any loss of patent protection could have a material adverse impact on one or more of the Issuer's technologies, solutions or services and its business.

The Issuer may be subject to claims challenging the inventorship or ownership of its patents and other IP.

The Issuer, its collaborators and/or the Issuer's business partners may be subject to claims that former employees, collaborators or other third parties have an interest in the Issuer's patents or other IP as an inventor or co-inventor. In addition, the Issuer cannot assure investors that all inventors have been or will be identified by the Issuer and/or by the Issuer's collaborators and/or the Issuer's business partners despite diligent effort. The failure to name the proper inventors on a patent application could result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing the Issuer's technologies, solutions and services or as a result of questions regarding joint ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and/or ownership. Alternatively, or additionally, the Issuer may enter into agreements to clarify the scope of its rights in such IP. If the Issuer fails in defending any such claims, in addition to paying monetary damages, it may lose valuable IP rights, such as exclusive ownership of, or the right to enforce, such valuable IP. Such an outcome could have a material adverse effect on the Issuer's business. Even if the Issuer is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

The Issuer's collaborators and business partners may have relied on consultants or other third parties such that the Issuer's collaborators and business partners are not the sole and exclusive owners of the patents the Issuer in-licensed or utilised. If such third parties have ownership rights or other rights to the Issuer's in-licensed or utilised patents, they may be able to license such patents to the Issuer's competitors, and the Issuer's competitors could market competing technologies, solutions or services. This could have a material adverse effect on the Issuer's competitive position, business, financial condition, results of operations and prospects.

The Issuer may not be successful in obtaining or maintaining necessary rights for its technology through acquisitions.

Because its integrated platform and programmes may involve additional technologies that may require the use of proprietary rights held by third parties, the growth of the Issuer's business may depend in part on its ability to acquire other rights to use these proprietary rights. The Issuer may be unable to acquire any compositions, methods of use or other IP rights from third parties that it identifies. The acquisition of third-party IP rights is a competitive area, and a number of more established companies are also pursuing strategies to acquire third-

party IP rights that the Issuer may consider attractive or necessary. These established companies may have a competitive advantage over the Issuer due to their size, cash resources and greater R&D and commercialisation capabilities. In addition, companies that perceive the Issuer to be a competitor may be unwilling to assign rights to it. The Issuer also may be unable to acquire third-party IP rights on terms that would allow it to make an appropriate return on its investment or at all. If the Issuer is unable to successfully obtain rights to required third-party IP rights or maintain its IP rights, it may have to abandon development of the relevant technology, solution or service, which could have a material adverse effect on its business, financial condition, results of operations and prospects for growth.

The Issuer may not be able to enter into invention assignment and confidentiality agreements with all of its employees and third parties. Such agreements may not prevent ownership disputes or unauthorised disclosure of trade secrets and other proprietary information.

The Issuer relies upon unpatented trade secrets, unpatented know-how and continuing technological innovation to develop and maintain its competitive position, which it seeks to protect, in part, by entering into agreements, including patent or invention assignment agreements, confidentiality agreements and non-disclosure agreements, with parties that have access to them, such as its employees, consultants, academic institutions, collaborators and other third-party service providers. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorised disclosure of the Issuer's proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that the Issuer's competitive position will be compromised, in spite of any legal action the Issuer may take against persons making such unauthorised disclosures. In addition, to the extent that its employees, consultants or contractors use IP owned by others in their work for the Issuer, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Although the Issuer uses reasonable efforts to protect its trade secrets, its employees, consultants, contractors or business partners may intentionally or inadvertently disclose its trade secret information to competitors, or its trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of the Issuer's trade secrets is expensive and time consuming, and the outcome is unpredictable.

The Issuer may enter into agreements to sponsor individuals or research institutions to conduct research relevant to its business in the future. The ability of these individuals or research institutions to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect the Issuer's confidential information. If the Issuer does not file patent application(s) prior to such publication, or if it cannot otherwise maintain the confidentiality of its proprietary technologies and other confidential information, then the Issuer's ability to obtain patent protection or to protect its trade secret or proprietary information may be jeopardised, which could adversely affect its business, financial condition and results of operations.

The Issuer also seeks to enter into agreements with its employees and consultants that obligate them to assign any inventions created during their work for it to the Issuer. However, the Issuer may not obtain these agreements in all circumstances, and the assignment of IP under such agreements may not be self-executing. It is possible that technology relevant to the Issuer's business will be independently developed by a person that is, or is not, a party to such an agreement. Furthermore, if the employees, consultants or collaborators who are parties to these agreements breach or violate the terms of these agreements, the Issuer may not have adequate remedies for any such breach or violation, and it could lose its trade secrets and inventions through such breaches or violations. Any of the foregoing could have a material and adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer may be subject to claims that its employees, consultants and/or advisors have wrongfully used or disclosed alleged trade secrets of their former employers.

Some of the Issuer's employees, consultants and/or advisors were previously employed at universities or other biotechnology or pharmaceutical companies, including its competitors. Although the Issuer tries to ensure that its employees do not use the proprietary information or know-how of others in their work for it, the Issuer may be subject to claims that it or its employees have used or disclosed IP, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. If the Issuer fails in defending any such claims, in addition to paying monetary damages, it may lose valuable IP rights or personnel. Even if the Issuer is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

IP rights do not necessarily protect the Issuer from all potential threats to its competitive advantage.

The degree of future protection afforded by the Issuer's IP rights is uncertain because IP rights have limitations, and may not adequately protect the Issuer's business, or permit it to maintain its competitive advantage. The following examples are illustrative:

- others may be able to independently develop similar or alternative technologies or designs that are similar to the Issuer's solutions or services but that are not covered by the claims of the patents that the Issuer owns or has or has obtained an exclusive licence to;
- the Issuer might not have been the first to make the inventions covered by the issued patents or pending patent applications that it owns or may in the future exclusively license, which could result in the patent applications not issuing or being invalidated after issuing;
- the Issuer might not have been the first to file patent applications covering certain of its inventions, which could result in the patent applications not issuing or being invalidated after issuing;
- others may independently develop similar or alternative technologies or duplicate any of the Issuer's technologies without infringing its IP rights;
- the Issuer's pending patent applications may not lead to issued patents;
- issued patents that the Issuer owns or has obtained an exclusive licence to may not provide it with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by its competitors;
- its competitors might conduct R&D activities in countries where the Issuer does not have patent rights and then use the information learned from such activities to develop competitive solutions and services for commercialisation in the Issuer's major markets;
- the Issuer may fail to develop additional proprietary technologies that are patentable;
- the Issuer may fail to apply for or obtain adequate IP protection in all the jurisdictions in which it operates; and
- the patents of others may have an adverse effect on the Issuer's business, for example by preventing the Issuer from commercialising one or more of its solutions and services.

Any of the aforementioned threats to the Issuer's competitive advantage could have a material adverse effect on its business.

Changes in patent laws in the U.S., Europe and China could raise challenges with respect to the Issuer's patent protection in the U.S., Europe and China and increase the risk of early generic competition with its solutions or services.

The Issuer's success is heavily dependent on IP, particularly patents. Obtaining and enforcing patents in the AI-powered drug and material science R&D market involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the U.S., Europe and China could raise the challenges and increase the costs surrounding the prosecution of patent applications and the enforcement or defence of issued patents, including the Leahy-Smith America Invents Act, or the Leahy-Smith Act, which was signed into law in September 2011 and became effective in March 2013. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. For example, the Leahy-Smith Act allows third-party submission of prior art to the United States Patent and Trademark Office ("USPTO") during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review, and derivation proceedings. In addition, the Leahy-Smith Act has transformed the U.S. patent system from a "first-to-invent" system to a "first-to-file" system in which, assuming that other requirements for patentability are met, the first applicant to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. As a result, the Leahy-Smith Act and its implementation could make it more difficult to obtain patent protection for the Issuer's inventions, and raise challenges and increase the costs surrounding the prosecution of the Issuer's or its collaboration partners' patent applications and the enforcement or defence of the Issuer's or its collaboration partners' issued patents, all of which could harm the Issuer's business, results of operations, financial condition and prospects.

In addition, the patent positions of companies in the development and commercialisation of biotechnology and pharmaceuticals are particularly challenging. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. This combination of events has raised challenges with respect to the validity and enforceability of patents, once obtained. Additionally, there have been recent proposals for additional changes to the patent laws of the U.S. and other countries that, if adopted, could impact the Issuer's ability to enforce its proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on the Issuer's existing patent portfolio and weaken its ability to obtain new patents or to enforce its existing patents and patents that it might obtain in the future.

Furthermore, Europe's planned Unified Patent Court may, in particular, present uncertainties for the Issuer's ability to protect and enforce its patent rights against competitors in Europe. In 2012, the European Patent Package, or the EU Patent Package, was passed with the goal of providing a single pan-European Unitary Patent system and a new European Unified Patent Court, or the UPC, for litigation involving European patents. The Unitary Patent system and UPC successfully launched on 1 June 2023. Under the UPC, all European patents, including those issued prior to ratification of the European Patent Package, now by default automatically fall under the jurisdiction of the UPC. The UPC provides the Issuer's competitors with a new forum to centrally revoke the Issuer's European patents and allows for the possibility of a competitor to obtain pan-European injunctions. It will be several years before the Issuer will understand the scope of patent rights that will be recognised and the strength of patent remedies that will be provided by the UPC. Under the current EU Patent Package, the Issuer has the right to opt its patents out of the UPC over the first seven years of the court's existence but doing so may preclude it from realising the benefits of the new unified court.

In China, the Patent Law of the PRC (《中華人民共和國專利法》), or the PRC Patent Law, which came into effect on 1 June 2021, also adopts a patent-term extension mechanism which provides that, from 1 June 2021, for a new drug already approved for marketing in China, the term of the related invention patent may be extended, upon request by the relevant patent applicant, to compensate the lengthy time period consumed in the market authorisation approval process. According to the PRC Patent Law, in order to compensate for the time used for the review and approval of new drugs for marketing, the patent administration department of the State Council shall, at the request of the patent applicant, provide patent term compensation for invention patents of new drugs approved for marketing in China. The patent term compensation may not exceed five years, and the total effective term of the patent after the new drug is approved for marketing shall not exceed 14 years. Moreover, the PRC Patent Law also introduces the basis of patent linkage allowing litigation or administrative decision on disputes over drug patent infringement while the new drug is still in the process of review and assessment for marketing authorisation. The NMPA may decide whether to suspend the approval of marketing authorisation of the new drug according to the effective court judgment or administrative decision. In accordance with the PRC Patent Law, the State Council amended the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), effective on 20 January 2024, to further clarify the implementation of patent term extension and patent linkage. Accordingly, the Issuer needs to adopt various measures to protect itself against generic competition in China and comply with the relevant laws, regulations and implementing rules for patent term extension, patent linkage, or data exclusivity in China.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and the Issuer's patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO, NIPA and various patent offices or authorities in other jurisdictions require compliance with a number of procedural, documentary, fee payment and other provisions during the patent application and prosecution process. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO, NIPA and various patent offices or authorities outside of China in several stages over the lifetime of the patents and/or applications. The Issuer employs reputable professionals and relies on such third parties to help it comply with these requirements and effect payment of these fees with respect to the patents and patent applications that it owns. Noncompliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalise and submit formal documents. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case, which could have a material adverse effect on the Issuer's competitive position, business, financial condition, results of operations and prospects.

Patent terms may not be sufficient to effectively protect the Issuer's technology and the product candidates using its solutions and services.

In most countries in which the Issuer plans to file applications for patents, the term of an issued patent is generally 10 to 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords is limited. Even if patents covering the Issuer's technology and the product candidates using its solutions and services are obtained, the Issuer may be exposed to competition from other companies once its patent rights expire. Given the amount of time required for the development, testing and regulatory review of new technology and product candidates, patent protection for such technology and product candidates using the Issuer's solutions and services might expire before or shortly after such technology and candidates are commercialised.

As a result, the Issuer's patent portfolio may not provide it with sufficient rights to exclude others from commercialising products or technology similar or identical to the Issuer's.

The Issuer may not be able to protect its IP rights throughout the world.

Filing, prosecuting and defending patents on the Issuer's technology in all countries throughout the world would be prohibitively expensive and time-consuming. The Issuer may also encounter difficulties in protecting and defending such rights in foreign jurisdictions. Consequently, the Issuer may not be able to prevent third parties from practising its inventions in all countries outside the jurisdictions of the registration of its IP. Competitors may use the Issuer's technologies in jurisdictions where the Issuer has not obtained patent protection to develop their own products. The Issuer's patents or other IP rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending IP rights in foreign jurisdictions. The legal systems of many other countries do not favour the enforcement of patents and other IP protection, which could make it difficult for the Issuer to stop the infringement of its patents in such countries.

Proceedings to enforce its patent rights in foreign jurisdictions could result in substantial cost and divert the Issuer's efforts and attention from other aspects of its business, could put its patents at risk of being invalidated or interpreted narrowly and its patent applications at risk of not issuing and could provoke third parties to assert claims against the Issuer. The Issuer may not prevail in any lawsuits that it initiates and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, the Issuer's efforts to enforce its IP rights around the world may be inadequate to obtain a significant commercial advantage from the IP that it develops or licenses.

Risks Related to the Issuer's Financial Prospects and Need for Additional Capital

The Issuer has incurred significant operating expenses, net loss and cash outflow from operations historically. The Issuer may continue to incur significant operating expenses, net loss and cash outflow from operations in the near future, which may materially adversely affect its business operations, results of operations, financial position and profitability.

The Issuer has a history of significant operating expenses and net loss and has a history of experiencing, and expects to continue to experience, negative cash flow from operations, requiring it to finance operations through capital contributions. The Issuer's operating expenses comprise R&D expenses, general and administrative expenses, contract fulfilment costs, and selling and marketing expenses. The Group had a net loss of RMB1,438.6 million, RMB1,906.3 million and RMB1,514.9 million in 2022, 2023 and 2024, respectively. The Issuer anticipates that its operating expenses, net losses and cash outflow from operations will continue to increase in the foreseeable future as it continues to expand its business and invest in its solutions and services, its integrated technology platform and its sales and marketing related activities. The Issuer's operating expenses are expected to increase primarily as a result of its further business expansion, as it:

- continues advancement of and investment in its integrated technology platform, including quantum physics computation, AI, cloud computing and automated robotic wet lab experimentation capabilities;
- continues expansion and improvement of its drug and new materials discovery solutions and intelligent robotics solutions;
- continues its ongoing and planned R&D programmes developed for its customers or in collaboration with its collaborators;
- continues expansion of its collaborations with partners on drug discovery, including CROs and other service providers;

- maintains, expands and protects its IP portfolio;
- establishes and enhances its business development and marketing team to promote and sell its services and forge collaborations;
- attracts, hires and retains additional scientific, technical, management and administrative personnel;
- maintains and expands its customer relationship and business development efforts; and
- expands its operations in China and globally.

If its operating expenses and/or net loss continue to increase significantly, and the Issuer fails to manage such increases, its business operations, results of operations, financial position and profitability would be materially adversely affected.

The Issuer exposed to risks in connection with the fair value change of financial assets at FVTPL and related valuation uncertainty.

Fluctuation of the fair value of the Issuer's financial assets at FVTPL may affect its results of operation. During the last three fiscal years, the Issuer's financial assets at FVTPL consisted of current assets of wealth management products and funds and non-current assets of equity interests in a listed company, equity interests in several unlisted companies and equity interests in several private equity funds and convertible debts.

The Issuer is exposed to credit risk in relation to its investments in financial assets at FVTPL, which may adversely affect the net changes in their fair value. Factors beyond the Issuer's control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, general economic conditions, market conditions and the regulatory environment.

The Issuer uses significant unobservable inputs, such as expected volatility, discount for lack of marketability, risk-free rate and expected rate of return, in valuing such financial assets. The fair value change of financial assets at fair value through profit or loss may significantly affect the Issuer's financial position and results of operations. Accordingly, such determination requires the Issuer to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond the Issuer's control can significantly influence and cause adverse changes to the estimates the Issuer uses and thereby affect the fair value of such financial assets. These factors include, but are not limited to, general economic condition, changes in market interest rates and the stability of capital markets. Any of these factors, as well as others, could cause the Issuer's estimates to vary from actual results, which could materially and adversely affect the Issuer's results of operation and financial condition. The Issuer's cannot assure investors that it will not incur any such fair value losses in the future, and any such fair value losses may adversely affect the Issuer's results of operations, financial condition and prospects.

The Issuer is exposed to changes in fair value of its derivative financial instruments.

The Issuer has utilised derivative financial instruments over the past three financial years, including primarily forward exchange contracts and cross currency swaps, to hedge exposure to exchange rate risk. The fair value changes of its derivative financial instruments were recognised in other net gains and losses. The Issuer's derivative financial instruments may incur negative fair value change in the future, which may adversely affect its profitability. The Issuer monitors the market value and financial performance of each investment and analyses market trends relating to interest rates and exchange rate fluctuation. However, if the Issuer's forecasts do not conform to actual changes in market conditions, its trading activities may not achieve the investment returns it anticipates, and the Issuer would suffer material losses, any of which could materially and adversely affect its business, financial condition and results of operations.

The Issuer may be exposed to credit risk associated with its trade receivables.

The Issuer's trade receivables arise primarily from its solutions or services provided and goods sold in the ordinary course of business. The Issuer may not be able to collect all such trade receivables due to a variety of factors that are out of its control. For example, if the Issuer's relationship with any of its customers or collaborators deteriorates or terminates, or if any of them experiences any difficulty in their operations or a decrease in their business or financial performance for any reasons, the Issuer's customers or collaborators may delay or default in their payment. As a result, the Issuer may not be able to fully recover the outstanding amounts due from them, in a timely manner or at all. If the Issuer is not able to manage the credit risk associated with its trade receivables, its cash flows and results of operations may be materially and adversely affected.

The Issuer may not be able to fulfil its obligation in respect of contract liabilities which could adversely affect its financial condition, results of operations and prospects.

If the Issuer has any difficulties or fails to perform its obligations under its contracts, the Issuer's relationships with its customers and collaborators will be adversely affected and the Issuer will be unable to recognise such contract liabilities as revenue, exposing it to the risk of shortfalls in liquidity, which may have a material adverse effect on the Issuer's operational performance and prospects.

The Issuer may not be able to realise and recover the full amount of contract costs.

The Issuer's contract costs are initially recognised when it incurs cost to fulfil the obligation under its revenue contract with customers, while the receipt of consideration for the Issuer's solutions or services is conditional on the successful completion of its provision of solutions or services. The capitalised contract cost for fulfilling revenue contract is amortised as contract fulfilment cost in the Issuer's consolidated statement of profit or loss when it recognises the relevant revenue. The Issuer may make impairment over the contract cost if the carrying amount of contract costs exceed the remaining amount of consideration that it expects to receive from customers. There is no assurance that the Issuer will be able to realise and recover the full amount of contract costs as the operation and liquidity condition of its customers and collaborators may change, or they may dispute the solutions or services the Issuer provided, which will result in impairment of such contract costs. If the Issuer fails to realise and recover the full amount of contract costs, its results of operations, liquidity and financial position may be adversely affected.

The Issuer may never realise returns on its investment of resources and cash in its collaborators and other investee companies. Fluctuation of the operational results of its invested companies and the fair value of its investments may adversely affect its financial position.

The Issuer makes equity investments in certain of its drug discovery collaborators from time to time, with whom it jointly discovers and designs novel therapeutical targets and technologies. In addition to its equity positions in these collaborators, the Issuer expects to receive additional royalty, milestone or contingent payments from its drug discovery collaborations if the programmes successfully reach milestones or events contemplated in the respective contracts. In addition, the Issuer also invests in other companies with technologies or business that are complementary to its own. The financial significance of such equity investments to the Issuer's financial performance is subject to valuation by third-party appraisers where multiple factors could impact such valuation, including the progress of R&D efforts of the Issuer's investee companies, the progress of pre-clinical studies and future clinical trials for any product candidates of its investee companies, the success of its investee companies' commercialisation efforts and any milestone or other payments the Issuer receives, market conditions in the relevant markets, the operational performance of its investee companies and general economic, industry and market conditions. As pre-clinical studies and clinical trials could be lengthy and time consuming, the Issuer may not have positive valuation results in the near future and therefore such valuation may have a negative impact on the Issuer's financial performance in the short term.

The Issuer may never realise returns on its investment of resources and cash in its collaborators and other investee companies. In particular, pre-clinical studies and clinical drug development involves a lengthy and expensive process, with an uncertain outcome. The Issuer's investee companies may incur additional costs or experience delays in completing or ultimately be unable to complete the development and commercialisation of any product candidates. In addition, its investee companies' R&D efforts may not lead to development or commercialisation of product candidates that results in the Issuer's receipt of upfront payments, milestone payments or contingent payments in a timely manner, or at all, which could materially and adversely affect the Issuer's business, financial condition, results of operations and prospects.

The Issuer has adopted a share incentive plan and will continue to grant share-based awards in the future, which may increase expenses associated with share-based compensation, cause shareholding dilution to the Issuer's existing shareholders and have an adverse effect on the Issuer's financial performance. Exercise of the awards granted will increase the number of the Issuer's outstanding Shares, which may adversely affect the market price of the Issuer's Shares.

Historically, the Issuer has adopted certain share incentive schemes to recognise the contribution of certain eligible participants and to provide incentives to retain and attract quality personnel for the continued operation and development of its business.

The Issuer believes the granting of share-based awards is of significant importance to its ability to attract and retain key personnel and employees. As a result, the Issuer will continue to grant share-based compensation to employees in the future, which may further increase its expenses associated with share-based compensation, cause shareholding dilution to its shareholders and adversely affect the market price of its Shares, and in turn materially and adversely affect the Issuer's business, financial condition and results of operations.

The Issuer may need to obtain substantial additional financing to fund its growth and operations, which may not be available on acceptable terms, if at all.

Technological advancement and R&D efforts are capital-intensive. The Issuer has used substantial funds and expects to continue to invest significant financial resources in enhancing its integrated technology platform, including improving its computation algorithms and AI models, as well as setting up robotics in its wet lab to enable high-throughput automation. For example, the Issuer is in the process of further enhancing the capabilities of its automated robotic wet lab and expects to incur substantial expenditures. In addition, the Issuer has used substantial funds to advance its drug and material science R&D and intelligent robotics solutions.

To date, the Issuer has funded its operations primarily through capital contributions from its shareholders and cash inflows from its business operations. The Issuer's operations have consumed substantial amounts of cash since inception. The Issuer's future funding requirements and the period for which the Issuer expects increasing capital need may be different than what it has experienced in the past.

Adequate additional financing may not be available to the Issuer on acceptable terms, or at all. Any additional capital-raising efforts may divert its management from their day-to-day activities, which may adversely affect its ability to develop and commercialise its technologies, solutions and services. If the Issuer is unable to raise capital when needed or on attractive terms, it could be forced to delay, reduce or altogether cease its R&D programmes and/or its service offerings.

Any discontinuation, reduction or delay of any government grant, tax refund or preferential tax treatment could have a material and adverse impact on the Issuer's business.

In 2022, 2023 and 2024, the Group recognised government grants of RMB21.4 million, RMB27.5 million and RMB65.9 million in the Historical Financial Information of the Group and the audited consolidated financial statements of the Group as of and for the year ended 31 December 2024, respectively. In the same years, the

Group also recognised certain VAT refunds from the PRC government, which are non-recurring in nature, amounting to RMB21.8 million, RMB30.5 million and RMB19.7 million, respectively. Furthermore, the Chinese government has provided various tax incentives to the Issuer's subsidiaries in China. These incentives include reduced enterprise income tax rates. For example, under the EIT Law and its implementation rules, the statutory enterprise income tax rate is 25%. However, the income tax of an enterprise that has been determined to be a technologically advanced service enterprise can be reduced to a preferential rate of 15%. For example, Shenzhen Jingtai Technology Co., Ltd., Beijing Jingtai Technology Co., Ltd., Shanghai Zhiyao Technology Co., Ltd. and Jingtai Zhiyao Technology (Shanghai) Co., Ltd. enjoy such preferential rates.

The Issuer cannot assure investors that it will continue to receive such government grants at the same level or at all, or that it will continue to enjoy such preferential tax treatment, in which case its business, financial condition and results of operation may be materially and adversely affected. In addition, in the ordinary course of its business, the Issuer is subject to complex income tax and other tax regulations, and significant judgment is required in the determination of a provision for income taxes. As such, the PRC tax authorities may successfully challenge the Issuer's position and may require it to pay taxes, interest on such taxes, and/or penalties in excess of its tax provisions. The discontinuation of financial incentives available to the Issuer may materially and adversely affect its financial condition and results of operations.

Increased staff cost may negatively affect the Issuer's financial performance and liquidity position.

The Issuer's operations require a sufficient number of qualified employees. The Issuer intends to recruit highly capable and experienced employees to support the Issuer's business growth and to provide its employees with training and development opportunities. Such recruitments may increase the Issuer's staff costs, and there is no assurance that its total revenue will increase in proportion to or at a faster pace than that in staff costs. As a result, the increases in staff costs may have a negative impact on the Issuer's results of operations and financial condition. The Issuer's continued investments in recruiting, retaining and training its employees may also place constraints on its liquidity and working capital.

Raising additional capital may lead to dilution of shareholdings and restrict the Issuer's operations or require the Issuer to relinquish rights to its technologies, solutions or services.

The Issuer may seek additional funding through a combination of equity and debt financings and collaborations. To the extent that the Issuer raises additional capital through the sale of equity or convertible debt securities, the beneficial ownership interest of existing shareholders will be diluted and the terms may include liquidation or other preferences that adversely affect the rights of the Issuer's existing shareholders. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as incurring additional debt, making capital expenditures or declaring dividends. If the Issuer raises additional funds through partnerships, collaborations, strategic alliances or licensing arrangements from third parties, the Issuer may have to relinquish valuable rights to its technologies, solutions or services or future revenue streams or have to grant licences on terms that are not favourable to it.

Disruptions in the financial markets and economic conditions could affect the Issuer's ability to raise capital.

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets, financial crises, extreme volatility in security prices, reduced liquidity and credit availability, ratings downgrades of certain investments and declining asset valuations. In the past, governments have implemented extraordinary measures in an attempt to restore liquidity and stabilise financial markets. However, there can be no assurance that such interventions will be effective in the future. A resurgence of adverse economic conditions could materially impair the Issuer's ability to raise capital on acceptable terms and within required timeframes.

In addition, geopolitical tensions, such as the ongoing Russo-Ukrainian conflict, unrest in the Middle East (including tensions in Iran and Israel) and Africa, and other regional instabilities, continue to contribute to global financial market uncertainty. It remains unclear whether these challenges will be resolved or contained, or what long-term impact they may have on global political and economic stability. All of the foregoing geopolitical tensions and regional instabilities could adversely and materially affect the financial markets and economic conditions of the markets in which the Issuer operates, which will in turn adversely and materially affect its business operations, results of operations, financial condition and prospects.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS IN WHICH THE ISSUER OPERATES

Any uncertainties embedded in the legal systems of certain geographic markets where the Issuer operates could affect its business, financial condition and results of operations

Legal systems of the geographic markets where the Issuer operates vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The Issuer is subject to certain uncertainties embedded in the legal systems of some geographic markets where it operates. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to the Issuer's businesses is not settled. Since local administrative and court authorities are authorised to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection the Issuer has in many of the geographic markets where it operates. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect the Issuer's judgment on the relevance of legal requirements and its ability to enforce its contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from the Issuer.

Furthermore, many legal systems in the geographic markets where the Issuer operates are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, the Issuer may not be aware of its violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of the Issuer's geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to the Issuer in its geographic markets and elsewhere that could affect its businesses and operations. Scrutiny and regulations of the industries in which the Issuer operates may further increase, and it may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in the Issuer's geographic markets may slow the growth of the industries in which the Issuer operates and affect the Issuer's business, financial condition and results of operations.

Changes in China's economic and social conditions, as well as government policies, laws and regulations and industry practice guidelines could have a material effect on the Issuer's business, financial condition, results of operations and prospects.

A significant portion of the Issuer's business operations and assets is located in China. Accordingly, the Issuer's business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, legal and social conditions in China. In recent years, the PRC government implemented a series of laws, regulations and policies which imposed additional standards with respect to, among other things, quality and safety control as well as supervision and inspection of enterprises operating in the Issuer's industries. The Issuer may incur additional costs in order to comply with the regulatory requirements imposed by the relevant authorities, which may impact its profitability.

The Issuer may be restricted from transferring the Issuer's scientific data outside of China.

On 17 March 2018, the General Office of the PRC State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》), or the Scientific Data Measures, which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval from competent authorities in accordance with relevant management procedures for guarding state secrets before any scientific data involving any state secret may be transferred abroad or be disclosed 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. As the term "state secret" is not clearly defined, there is no assurance that the Issuer can always obtain relevant approvals for sending scientific data (such as the results of its pre-clinical studies conducted within China) abroad, or to its foreign partners in China.

If the Issuer is unable to obtain the necessary approvals in a timely manner, or at all, its R&D activities and collaboration programs may be hindered, which may materially affect its business, results of operations, financial conditions and prospects. If relevant government authorities consider the transmission of the Issuer's scientific data to be in violation of the requirements under the Scientific Data Measures, the Issuer may be subject to specific administrative penalties imposed by those government authorities.

There have been recent evolving regulatory requirements regarding data security in China, the changes or noncompliance of which may materially and adversely affect the Issuer's business and results of operations.

The Cyberspace Administration of China (the "CAC") and 12 other relevant PRC government authorities published the Measures for Cybersecurity Review (《網絡安全審查辦法》) on 28 December 2021, which took effect on 15 February 2022. The Cybersecurity Review Measures provide that, among others, (i) the purchase of network products and services by a "critical information infrastructure operator" and the data processing activities of a "network platform operator" that affect or may affect national security shall be subject to the cybersecurity review; and (ii) if a "network platform operator" that possesses personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review with the Cybersecurity Review Office. Furthermore, on 24 September 2024, the CAC published the Regulation on the Administration of Cyber Data Security (《網絡數據安全管理條例》), or the Data Security Regulations, which came into effect on 1 January 2025. The Data Security Regulations provide that if data processors conducting cyber data processing activities that have or could have an impact on national security, such activities shall be subject to cyber security review in accordance with relevant state provisions. However, the Data Security Regulations do not provide clear guidance for assessing the impact on national security in the context of network data processing. If the Issuer's business is deemed as "having, or could have, influence on

“national security” and the Issuer fails to conduct cybersecurity review according to the relevant laws and regulations and/or take rectification actions as required by the relevant competent government authority, it might be subject to penalties, warnings or revocation of its practicing licenses and permits, which could materially affect its business, reputation and financial performance.

If the CAC or other PRC regulatory body subsequently determines that the Issuer is subject to review by the CAC or required to adjust business practices, the Issuer may face adverse actions or sanctions by the CAC or other PRC regulatory agencies. In any such event, there could be a material effect on the Issuer’s business, financial condition, results of operations, reputation and prospects.

The Issuer subsidiaries’ payment of dividends is subject to restrictions under applicable laws and regulations.

As the Issuer is a holding company, it relies on dividends from its subsidiaries for cash requirements, including services of any debts the Issuer may incur. However, the payment of dividends is subject to restrictions under applicable laws and regulations. For example, under current PRC law, dividends may be paid only out of the Issuer’s PRC subsidiaries’ accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, each of the Issuer’s PRC subsidiaries is required to set aside 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such reserve has reached 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, in the future, if any of the Issuer’s subsidiaries incurs debt on its own behalf, the instruments governing the debt may impose restrictions on its ability to pay dividends or other payments to the Issuer. Furthermore, the Issuer’s PRC subsidiaries generate substantially all of their revenue in Renminbi, which is not freely convertible into other currencies. As a result, any regulatory requirements on currency exchange may limit the ability of the Issuer’s PRC subsidiaries to use their Renminbi revenue to pay dividends to the Issuer. The inability of the Issuer’s subsidiaries to distribute dividends or other payments to the Issuer could significantly affect the amount of liquidity available to supply the development and growth of the Issuer’s business and the Issuer’s obligations under the Bonds.

The biotechnology and pharmaceutical industries in China is highly regulated and such regulations are subject to change which may affect the Issuer’s R&D activities and the approval and commercialization of the product candidates using its solutions or services.

The Issuer conducts R&D operations in China, which it believes confers commercial and regulatory advantages. The biotechnology and pharmaceutical industries in China are subject to comprehensive government regulation and supervision, encompassing the research, approval, registration, manufacturing, packaging, licensing and marketing of new product candidates. In recent years, the regulatory framework in China regarding the biotechnology and pharmaceutical industries has undergone changes. To comply with such changes or amendments, the Issuer may face increased compliance costs on its business. Such compliance may delay or affect the Issuer’s R&D activities or the approval and commercialization of the product candidates using the Issuer’s solutions or services in China, and as a result, could affect its business, results of operations and financial conditions. PRC authorities have become increasingly vigilant in enforcing laws in the biotechnology and pharmaceutical industries and any failure the Issuer or its partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of its business activities in China. The Issuer believes its strategy and approach are aligned with the PRC government’s regulatory policies, but it cannot ensure that its strategy and approach will continue to be aligned.

The interpretation and implementation of the Foreign Investment Law is evolving, which may impact the viability of the Issuer's current corporate structure, corporate governance and business operations.

On 15 March 2019, the PRC National People's Congress, or the NPC, approved the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, which came into effect on 1 January 2020 and replaces the trio of prior laws regulating foreign investment in the PRC, namely, the Law on Sino-Foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》), the Law on Sino-Foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) and the Law on Wholly Foreign-Invested Enterprises of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations and become the legal foundation for foreign investment in the PRC. Meanwhile, the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) came into effect as of 1 January 2020, which clarified and elaborated the relevant provisions of the Foreign Investment Law.

The Foreign Investment Law sets out the basic regulatory framework for foreign investments and proposes to implement a system of pre-entry national treatment with a “negative list” for foreign investments, pursuant to which (i) foreign entities and individuals are prohibited from investing in the areas that are not open to foreign investments, (ii) foreign investments in the restricted industries must satisfy certain requirements under the law and (iii) foreign investments in business sectors outside of the negative list will be treated equally with domestic investments. The Foreign Investment Law also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information reporting system, through which foreign investors are required to submit information relating to their investments to the Ministry of Commerce (“MOFCOM”) or its local branches.

While the Issuer's businesses are not included in the effective negative list and are not otherwise restricted to foreign investment by PRC laws and regulations, it cannot assure investors that its industry will not be named in an updated “negative list” to be issued in the future. If the Issuer's industry is added to the “negative list” or if the PRC regulatory authorities otherwise decide to limit foreign ownership in its industry, there could be a risk that the Issuer would be unable to do business in China as it is currently structured. If any new laws and/or regulations on foreign investments in China are promulgated and implemented, such changes could have a significant impact on the Issuer's current corporate structure, which in turn could have a material impact on its business and operations, its ability to raise capital and the market price of its Shares or Bonds. In such event, despite the Issuer's efforts to restructure to comply with the then applicable PRC laws and regulations in order to continue its operations in China, the Issuer may experience material changes in its business and results of operations, its attempts may prove to be futile due to factors beyond its control and the value of the Bonds and the Shares may significantly decline or become worthless.

If the Issuer is classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavourable tax consequences to it.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a “resident enterprise” and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the STA issued the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on

the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or the STA Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the STA’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to STA Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and the places where they perform their duties are in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

As of the date of this Offering Circular, the Issuer believes that the Issuer is not a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities. If the PRC tax authorities determine that the Issuer (or any non-PRC subsidiaries of us) are a PRC resident enterprise for enterprise income tax purposes, it (or such subsidiaries) will be subject to a 25% income tax on the Issuer’s worldwide income. In addition, if the Issuer is treated as a PRC resident enterprise the Issuer may be required to withhold a 10% withholding tax from interest it pays to its Bondholders that are non-resident enterprises. In addition, non-resident enterprise Bondholders may be subject to PRC tax on gains realised from the transfer of the Bond, if such income is treated as sourced from within the PRC. Furthermore, if the Issuer is deemed a PRC resident enterprise, interest payable to its non-PRC individual Bondholders and any gain realised on the transfer of the Bond by such Bondholders may be subject to PRC tax at a rate of 20% (which, in the case of interests, may be withheld at source the Issuer). Any PRC tax liability may be reduced under applicable tax treaties. However, it is unclear whether in practice the Issuer’s non-PRC Bondholders would be able to obtain the benefits of any tax treaties between their countries of tax residence and the PRC in the event that the Issuer is treated as a PRC resident enterprise. Any such tax may reduce the returns on the Bond.

Certain judgments obtained against the Issuer from non-mainland Chinese courts may not be enforceable.

The Issuer is an exempted company limited by shares incorporated under the laws of the Cayman Islands. The Issuer conducts a significant portion of its operations in mainland China and a significant portion of its assets are located in mainland China. In addition, a majority of the Issuer’s Directors and senior management reside within mainland China, and most of their assets are located within mainland China. As a result, it may be difficult or impossible for investors to effect service of process within Hong Kong upon these individuals, or to bring an action against the Issuer or against these individuals in Hong Kong in the event that investors believe investors’ rights have been infringed under the Hong Kong laws or otherwise. Even if investors are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render investors unable to enforce a judgment against the Issuer’s assets or the assets of its Directors and senior management.

The Issuer’s growth through acquisitions in mainland China is subject to the procedures established under the M&A Rules and certain other PRC regulations, which could make it difficult for the Issuer to complete such acquisitions.

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in the PRC by foreign investors more time consuming and complex. In addition to the

Anti-Monopoly Law (《反壟斷法》), which became effective on 1 August 2008, and was lately amended on 24 June 2022 and came into effect on 1 August 2022, other M&A related rules include the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated in 2011 (《商務部實施外國投資者併購境內企業安全審查制度的規定》), or the Security Review Rules, and the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), or the Foreign Investment Security Review Measures, promulgated by NDRC and the MOFCOM in December 2020 and effective on 18 January 2021. In particular, the M&A Rules require, among other things, that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor acquires control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that impact or may impact national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, the Provisions of the State Council on the Standard for Declaration of Concentration of Business Operators (《國務院關於經營者集中申報標準的規定》) that came into effect as of 22 January 2024 require that transactions which are deemed concentrations and involve parties with specified turnover thresholds (i.e. during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeds RMB12 billion and at least two of these operators each had a turnover of more than RMB800 million within China, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion and at least two of these operators each had a turnover of more than RMB800 million within China) must be notified and cleared by the MOFCOM before they can be completed. In addition, in 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知》), or the Circular 6, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Also, MOFCOM promulgated the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》), effective in 2011, to implement Circular 6. Under the foregoing regulations, a security review is required for mergers and acquisitions by foreign investors having “national defense and security” concerns and mergers and acquisitions by which foreign investors may acquire the “de facto control” of domestic enterprises with “national security” concerns. The foregoing regulations prohibit foreign investors from bypassing the security review by structuring transactions through holding shares on behalf of others, trusts, re-investment through multiple levels, leases, loans, control through contractual arrangements or offshore transactions. Following the implementation of the Foreign Investment Law, NDRC and MOFCOM promulgated the Measures on the Security Review of Foreign Investments (《外商投資安全審查辦法》), effective from 18 January 2021, which require foreign investors or relevant parties to file a prior report before making a foreign investment if such investment involves military related industry, national defence security or taking control of an enterprise in a key industry that concerns national security; and if a foreign investment will or may affect national security, the standing working office organised by NDRC and MOFCOM will conduct a security review to decide whether to approve such investment. The Issuer may pursue potential strategic acquisitions that are complementary to the Issuer’s business and operations. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval or clearance from the MOFCOM and other relevant PRC authorities, may delay or inhibit the Issuer’s ability to complete such transactions, which could affect the Issuer’s ability to expand its business or maintain its market share.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may make it difficult for the Issuer to use the proceeds of the Offering to make loans or additional capital contributions to its PRC subsidiaries, which could materially affect the Issuer's liquidity and its ability to fund and expand its business.

The Issuer is an offshore holding company conducting its operations in China through its PRC subsidiaries. The Issuer may make loans to its PRC subsidiaries subject to the approval or registration from governmental authorities and limitation of amount, or the Issuer may make additional capital contributions to its wholly foreign-owned subsidiary in China. Any loans to the Issuer's wholly foreign-owned subsidiary in China, which are treated as foreign-invested enterprises under PRC law, are subject to foreign exchange loan registrations, and cannot exceed statutory limits, which is either the difference between the registered capital and the total investment amount of such enterprise or a multiple of its net assets in the previous year. In addition, a foreign-invested enterprise, or FIE, shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of an FIE shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than wealth management products with a risk rating not exceeding Level II and structured deposits, unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the enterprises engaged in real estate development, operation, or real estate leasing).

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, the Issuer cannot assure investors that it will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by the Issuer to its PRC subsidiaries or with respect to future capital contributions by the Issuer to its PRC subsidiaries. If the Issuer fails to complete such registrations or obtain such approvals, its ability to use the proceeds from the Offering and to capitalise or otherwise fund its PRC operations may be negatively affected, which could materially affect its liquidity and its ability to fund and expand its business.

Fluctuations in exchange rates could have a material effect on the Issuer's results of operations and the value of investors' investment.

The value of the RMB against the Hong Kong dollar, the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in domestic and international economic conditions and the foreign exchange policy adopted by the PRC government, as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the value of the RMB is subject to intervention by the PBOC in the foreign exchange market to limit fluctuations in RMB exchange rates. The Issuer is subject to the risk of volatility in future exchange rates and to the PRC government's regulations on currency conversion.

Any significant appreciation or depreciation of the RMB may affect the Issuer's revenue, earnings and financial positions, and the value of, and any dividends payable on, the Issuer's Shares in a foreign currency. There are limited instruments available for the Issuer to hedge its foreign currency risk. Further, the PRC government may in the future promulgate new regulations on the conversion of foreign exchange that could affect the Issuer's ability to convert RMB into foreign currency. All of these factors could materially affect the Issuer's business, financial condition and results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

The Issuer has utilised derivative financial instruments over the past three financial years, including primarily forward exchange contracts and cross currency swaps, to hedge exposure to exchange rate risk. These derivative financial instruments reduce but do not entirely eliminate the effect of foreign currency exchange rate movements on the Issuer's cash and cash equivalents and short-term investments in foreign currencies.

PRC regulations on currency conversion and capital inflow/outflow may limit the Issuer's ability to utilise its cash balance effectively and affect the value of investors' investment.

The convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China, are subject to laws, regulations and policies adopted by the PRC government. The Issuer receives a significant portion of its revenue in Renminbi. Under the Issuer's current corporate structure, its Cayman Islands holding company primarily relies on dividend payments from its PRC subsidiaries to fund any cash and financing requirements the Issuer may have.

Pursuant to existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Pursuant to the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises promulgated by SAFE (《關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the Circular 19, on 30 March 2015, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into RMB on a discretionary basis according to the actual needs. The Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects, promulgated by SAFE (《關於改革和規範資本項目結匯管理政策的通知》), or the Circular 16, on 9 June 2016 provides for an integrated standard for conversion of foreign exchange under capital account items on a discretionary basis, which applies to all enterprises registered in China. In addition, the SAFE Circular 16 and Notice of the State Administration of Foreign Exchange on Further Deepening Reform and Facilitating Cross-border Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》) (Hui Fa [2023] No. 28, promulgated on 4 December, 2023) has stated the scope of purposes for which an enterprise must not use the RMB funds so converted, which include, among others, (i) payment for expenditure beyond its business scope or otherwise as prohibited by the applicable laws and regulations, (ii) investment in securities or other financial products other than wealth management products with a risk rating not exceeding Level II and structured deposits, unless otherwise expressly specified, (iii) provision of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope of the enterprise and (iv) construction or purchase of non-self-used real properties, except for enterprises engaged in real estate development, operation, or real estate leasing.

As a result, the Issuer needs to obtain SAFE approval to use the cash generated from the operations of its PRC subsidiaries to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. The PRC government may promulgate further regulations as it deems appropriate on the access to foreign currencies for current account transactions in the future. If the Issuer fails to obtain sufficient foreign currencies to satisfy its foreign currency demands in compliance with the foreign exchange regulations, it may not be able to pay dividends in foreign currencies to its shareholders. Further, there is no assurance that new regulations will not be promulgated in the future to further regulate the remittance of RMB into or out of China.

Changes in international trade policies and other rising tensions, particularly between the U.S. and China, may impact the Issuer's business, financial condition and results of operations.

Although cross-border business may not be an area of the Issuer's focus, if it plans to expand its business internationally in the future, any unfavourable government policies on international trade, such as capital controls or tariffs, including potential increases in tariff rates or expansion of tariff-covered product categories that could raise operating costs or disrupt supply chains, may affect the demand for the Issuer's solutions and services, impact its competitive position or prevent it from being able to conduct business in certain countries. If any new tariffs, legislation or regulations are implemented, or if existing trade agreements are renegotiated, such changes could affect the Issuer's business, financial condition and results of operations. Recently, there have been heightened tensions in international economic relations, such as the one between the U.S. and China. On 15 January 2020, the U.S. and China entered into the Economic and Trade Agreement between the United States of America and the People's Republic of China as a phase one trade deal ("Phase One Trade Agreement"), effective on 14 February 2020. On October 24, 2025, the Office of the United States Trade Representative (USTR) officially announced the launch of an investigation into whether China has fulfilled the 2020 U.S.-China Phase One Trade Agreement, aiming to assess China's compliance with the implementation of the agreement and to consider whether further actions are necessary. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade, tax policy related to international commerce or other trade matters. The situation is further complicated by the tensions between the U.S. and China that escalated during the COVID-19 pandemic and the various executive orders issued by the U.S. President that prohibit certain transactions with certain China-based companies and their respective subsidiaries and regulate investments by U.S. persons in certain countries of concern (including China) in respect of national security technologies and products, along with recent tariff escalations targeting specific sectors, among others. Rising tensions could reduce levels of trade, investments, technological exchanges and other economic activities between China and other countries, which would have an effect on global economic conditions, the stability of global financial markets and international trade policies.

Although the direct impact of the current international trade and other tension, and any escalation of such tension, on the AI-powered drug R&D service industry in China is evolving, the impact on general, economic and social conditions of China may consequently impact the Issuer's business, financial condition and results of operations.

RISKS RELATING TO THE BONDS, THE SHARES AND THE OFFERING

The Bonds will be effectively subordinated to all of the Issuer's secured debt

The Bonds will be general senior unsecured obligations. The Bonds will be effectively subordinated to all the secured indebtedness of the Issuer to the extent of the value of the assets securing such indebtedness. In addition, the Bonds will, subject to some limitations, permit the Issuer to incur additional secured indebtedness in connection with bank and other financing arrangements.

In the event of bankruptcy, liquidation, reorganisation or other winding-up, the assets of the Issuer that secure the secured indebtedness of the Issuer will be available to pay obligations on the Bonds only after all secured indebtedness, together with accrued interest, has been repaid. If the Issuer is unable to repay its secured indebtedness, its lenders could foreclose on substantially all the assets of the Issuer which serve as collateral. Under such circumstances, the secured lenders of the Issuer would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including Bondholders. Bondholders will participate in the proceeds of the liquidation of the remaining assets of the Issuer rateably with holders of the unsecured indebtedness of the Issuer that is deemed to be of the same class as the Bonds, and potentially with all of the other general creditors of the Issuer.

Claims by Bondholders are structurally subordinated to creditors of the subsidiaries of the Issuer

The ability of the Issuer to make payments in respect of the Bonds depends largely upon the receipt of dividends, distributions and interest of advances from their subsidiaries. The ability of the subsidiaries of the Issuer to pay dividends and other amounts to the Issuer may be subject to such subsidiaries' profitability and applicable laws. Payments under the Bonds are structurally subordinated to all existing and future liabilities and obligations of each of the subsidiaries of the Issuer. Claims of creditors of such companies will have priority as to the assets of such companies over the Issuer and its creditors, including Bondholders.

There may not be a liquid market for the Bonds, and Bondholders may not be able to sell their Bonds at an attractive price or at all

The Bonds will be a new issue of securities for which there is currently no trading market. Although application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds, the Issuer cannot assure investors as to the liquidity of the Bonds, that an active trading market will develop, or that the Issuer will be able to maintain a listing of the Bonds on the Hong Kong Stock Exchange. The Lead Managers are not obligated to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Lead Managers. Accordingly, there is no assurance that a liquid trading market for the Bonds will develop or be sustained. If an active trading market for the Bonds does not develop or is not sustained, the market price and liquidity of the Bonds may be adversely affected.

Even if an active trading market were to develop, the Bonds could trade at prices that might be lower than the initial offering price. Future trading prices of the Bonds will depend on many factors, including, but not limited to:

- prevailing interest rates and interest rate volatility;
- the market for similar securities;
- the operating and financial results of the Issuer;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- the market price of the Bonds; or
- changes in the Group's industry and competition; and general market and economic conditions.

Accordingly, Bondholders may not be able to sell their Bonds at an attractive price or at all and may incur losses on their investments.

The Trustee may request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances, including giving of notice to the Issuer pursuant to Condition 10 (*Events of Default*) of the Terms and Conditions and the taking of steps, actions or proceedings pursuant to Condition 12 (*Enforcement*) of the Terms and Conditions, the Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if it is not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may affect when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed and/or the Terms and Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable

laws or regulations to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such steps and/or actions and/or institute such proceedings directly.

Bondholders will have no rights as holders of the Shares prior to conversion of the Bonds but are subject to changes made with respect to the Shares

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, Bondholders will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Upon conversion of the Bonds, these holders will be entitled to exercise the rights of holders of the Shares only as to actions for which the applicable record date occurs after the date of conversion. However, such Bondholders are subject to all changes affecting the Shares. For example, in the event that an amendment is proposed to the Issuer's articles of association requiring shareholder approval, and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date of conversion of the Bonds for such Shares and (as applicable) the date of registration by the relevant Bondholder as the holder thereof, that Bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Shares after conversion.

There is a limited period during which the Bondholders may convert their Bonds

Subject as provided in the Terms and Conditions, the Conversion Right under the Terms and Conditions may only be exercised in certain limited circumstances (subject to any applicable fiscal or other laws or regulations and as further provided in the Terms and Conditions) at any time on or after 10 March 2026 until (a) the close of business (at the place where the Certificate representing such Bond is deposited for conversion) on the date falling seven working days prior to the Maturity Date (both days inclusive) (but except as provided in Condition 6(a)(iv) (*Revival and/or Survival after Default*) of the Terms and Conditions, in no event thereafter); (b) if the Bonds shall have been called for redemption by the Issuer before the Maturity Date, up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) then up to the close of business (at the place aforesaid) on the business day (in the place aforesaid) prior to the giving of such notice. If the Conversion Right is not exercised by Bondholders during the Conversion Period, the Bonds will be redeemed at 101.76 per cent. of its principal amount on the Maturity Date unless the Bonds are previously redeemed, converted or purchased and cancelled in accordance with the Terms and Conditions.

Securities law restrictions on the resale and conversion of the Bonds and the resale of the Shares issuable upon their conversion may limit Bondholders' ability to sell the Bonds in the United States

The Bonds and the Shares into which the Bonds are convertible have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold outside the U.S. in reliance on Regulation S under the Securities Act. The Issuer is not required to register the Bonds and the Shares into which the Bonds are convertible under the terms of the Bonds. Hence, future resales of the Bonds and the Shares into which the Bonds are convertible may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which may be different from those applicable to companies in certain other countries

The Issuer will be subject to reporting obligations in respect of the Bonds to be listed on the Hong Kong Stock Exchange. The disclosure standards imposed by the Hong Kong Stock Exchange may be different from those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to or may expect.

The Bondholders may be subject to tax on their income or gain from the Bonds

Prospective investors of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including upon conversion of the Bonds) of the Bonds or the Shares. See “*Taxation*” for Relevant Tax Jurisdiction tax consequences.

Gains on the transfer of the Bonds and Premium may be subject to income tax under PRC tax laws

Under the EIT Law and its implementation rules, gains on the transfer of the Bonds may be subject to income tax under PRC tax laws if the Bonds be deemed as equity interests.

Under the EIT Law, a non-resident enterprise shall pay PRC enterprise income tax on its income sourced from inside the PRC, including the gains derived from the disposal of equity interests in a PRC enterprise. However, it is not clear whether the Bonds would be deemed as equity interests and such capital gains would be deemed as sourced from the PRC by the PRC taxation authorities. If the Bonds are deemed as equity interests and such capital gains are deemed as sourced from the PRC by the PRC taxation authorities, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises would be subject to PRC enterprise income tax. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. The aforesaid income tax payable by a non-resident enterprise is subject to withholding at source. The income tax must be withheld by the payer (as the withholding agent) at the time of payment of the gains. In addition, there is uncertainty as to whether gains realised on the transfer of the Bonds by non-resident PRC individual holders will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income.

If a Holder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Holders’ investment in the Bonds may be materially and adversely affected. See “*Taxation — PRC*”. Under the IIT Law, a “non-resident individual” means any non-resident PRC individual who is not residing in the PRC or who has resided in China for less than 183 days within one tax year.

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in its current or future debt obligations and other agreements, there could be a default under the terms of those agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the

agreements, as the case may be. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, or result in a default under the Issuer's or such subsidiary's other debt agreements, including the Bonds. If any of these events occurs, there is no assurance that the Issuer will have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Issuer would be able to find alternative financing. Even if the Issuer could obtain alternative financing, it cannot guarantee that it would be on terms that are favourable or acceptable to the Issuer.

The Issuer may not have the ability to redeem the Bonds

Bondholders may require the Issuer, subject to certain conditions, to redeem for cash some or all of their Bonds upon a transaction or event constituting a Relevant Event as described under "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Delisting, Suspension of Trading or Change of Control*". The Issuer may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer's ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness held by the Issuer.

The Bonds may be redeemed at the option of the Issuer, which may adversely affect the trading price and liquidity of the Bonds and may subject Bondholders to reinvestment risks

Subject to certain conditions, the Bonds may be redeemed at the Issuer's option prior to the Maturity Date at the Early Redemption Amount. See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Issuer*". As a result, the trading price of the Bonds may be affected when this option of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby exercise of the Issuer's option to redeem the Bond could have a material adverse effect on the trading price and liquidity of the Bonds. In addition, the Bondholders may not be able to reinvest the redemption proceeds at an effective interest rate and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The market value of the Bonds may fluctuate

Trading prices of the Bonds are influenced by numerous factors, including the results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as share sales, reorganisations, takeovers or share buybacks) of the Group and/or the subsidiaries and/or associated companies of the Group, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, the Group and/or the subsidiaries and/or associated companies of the Group generally. Adverse economic developments, in Hong Kong and China as well as countries in which the Group and/or the subsidiaries and/or associated companies of Group operate or have business dealings, could have a material adverse effect on the Hong Kong economy or the Chinese economy and the results of operations and/or the financial condition of the Group and/or the subsidiaries and/or associated companies of the Group.

In addition, the market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares. There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of such Shares for future issue or sale, will have on the market price of the Shares prevailing from time to time and therefore on the market price of the Bonds. Disposals of Shares by shareholders or a perception in the market that such disposals could occur, could adversely affect the prevailing market price of the Shares and the Bonds. The market price of the Shares will also be influenced by the Issuer's operational results (which in turn are subject to the various risks to which the Issuer's businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which the Issuer operates and the capital markets in general. Corporate events such as reorganisations, takeovers or share buy-backs may also

adversely affect the market price of the Shares. Any decline in the market price of the Shares could adversely affect the market price of the Bonds.

Changes in interest rates may have an adverse effect on the price of the Bonds

The Bonds will not bear interest. The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain.

The return on the Bonds may decrease due to inflation

The Bondholders may suffer erosion on the return of their investments due to inflation. The Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual returns.

The Bonds may not be a suitable investment for all investors under applicable laws and regulations

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to investment laws and regulations that impose an approval requirement on or restrict certain investments. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legally permitted for it to invest in, (b) the Bonds can be used as collateral for applicable types of borrowing and (c) other restrictions apply to its purchase of any Bonds. Financial institution investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

For example, on 28 October 2024, the U.S. Department of Treasury (the “**Treasury**”) issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern to implement the Executive Order 14105, which came into effect on 2 January 2025 (the “**Final Rules**”). U.S. persons (as defined under the Final Rules) are prohibited from knowingly engaging in or required to notify the U.S. Treasury (i.e., “prohibited transaction” and “notifiable transaction” as such terms are defined in the Final Rules) regarding, a broad range of investment transactions (each a “**Covered Transaction**”) in entities in “countries of concern” (presently limited to mainland China, Hong Kong, and Macau) that are engaged in activities related to semiconductors and microelectronics, quantum information technologies, and artificial intelligence systems (together, “**Covered Activities**”). Investments by U.S. persons that are affected by the Final Rules include, among others and with certain exceptions, acquisition of an equity interest or contingent equity interest in a “Covered Foreign Person” (as defined in the Final Rules) and conversion of a contingent equity interest into an equity interest in a Covered Foreign Person, such as an investment in convertible securities of an entity engaging in a Covered Activity and the subsequent conversion of the securities. Debt financing that affords or will afford U.S. person investors an interest in profits of a Covered Foreign Person, the right to appoint members of the board of directors (or equivalent) of a Covered Foreign Person, or other comparable financial or governance rights characteristic of an equity investment but not typical of a loan is also regulated by the Final Rules. As of the date of this Offering Circular, the Issuer believes that it is not a “Covered Foreign Person” and the investments in the Bonds will not constitute a “notifiable transaction” or a “prohibited transaction” under the Final Rules.

On 23 December 2025, the U.S. Department of Treasury issued new guidance regarding compliance with the Final Rules in the form of frequently asked questions FAQ X.2 (“**FAQ X.2**”), including the scope of “excepted transactions” such as a publicly traded securities exception. A U.S. person’s acquisition of a publicly traded security and/or a contingent equity interest that is convertible into, or provides the right to acquire, only a publicly traded security would be an “**Excepted Transaction**” so long as such investment does not afford the U.S. person rights beyond standard minority shareholder protections. As of the date of this Offering Circular, the Issuer believes that the issue of the Bonds is an offering of contingent equity interests that is convertible into, or provides the right to acquire, publicly traded securities only. Accordingly, following FAQ X.2, an investment by a U.S. person in the Bonds would be expected to qualify as an Excepted Transaction, so long as it does not afford the U.S. person rights beyond standard minority shareholder protections with respect to the covered foreign person as described in the Final Rules. As of the date of this Offering Circular, the Issuer believes that the Bonds do not afford rights beyond standard minority shareholder protections as described in 31 C.F.R. § 850.501(a)(2). However, FAQ X.2 specifically cautioned that any conversion of a contingent equity interest must be analysed separately. Accordingly, while the initial acquisition is expected to constitute an Excepted Transaction, U.S. person investors should independently evaluate potential risks and make their own determination as to their obligations under the Final Rules at the time of any conversion of the Bonds into Shares. For example, if the Issuer is found to be a Covered Foreign Person, a U.S. person investor and could be required to notify the U.S. Treasury of the transaction.

There remain uncertainties under the Final Rules and the Issuer cannot assure investors that the Treasury will not change their view and treat the investment in the Bonds by a U.S. person as a covered transaction and thus subject to further requirements under the Final Rules.

On 21 February 2025, U.S. President Donald J. Trump issued a memo entitled the “America First Investment Policy” (the “**America First Memo**”). The America First Memo states that Executive Order 14105 is under review by the Administration and that the review will consider new or expanded restrictions on United States outbound investment in China in sectors such as semiconductors, artificial intelligence, quantum, biotechnology, hypersonics, aerospace, advanced manufacturing, directed energy, and other areas implicated by China’s national Military-Civil Fusion strategy. The America First Memo also states that the review will consider applying restrictions on investment types including private equity, venture capital, greenfield investments,

corporate expansions, and investments in publicly traded securities, from sources including pension funds, university endowments, and other limited-partner investors.

In December 2025, Congress passed the Comprehensive Outbound Investment National Security (COINS) Act of 2025 (the “**COINS Act**”) to codify and expand the Final Rules. Among other things, the COINS Act directs the Secretary of the Treasury to issue regulations restricting the U.S. outbound investments in countries of concern involving certain technologies. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is substantial uncertainty regarding how the new law will be implemented. While this does not currently affect the Final Rules, additional changes could occur in the future that could affect the Bonds.

Lastly, evolving national security-related concerns, technological developments, additional legislation, and geopolitical events could result in changes to the implementation and interpretation of the Final Rules or result in additional laws and regulations, which could take place during the life of the Bonds. Such changes could result in potential impacts on the Group’s operations and transactions that it enters into in the future. They could also impact the exercise of the exchange rights of the Bonds by investors, which in turn affect the liquidity and value of the Bonds. If the Issuer were to be deemed a Covered Foreign Person or otherwise the subject of U.S. laws and regulations as a result of its business expansion during the life of the Bonds and no exceptions are available under the applicable laws and regulations, the conversion of the Bonds by U.S. persons could be subject to the notification requirements, or prohibited under the Final Rules, or be subject to other restrictions. Therefore, in such an event, holders of the Bonds may not be able to convert their Bonds into Shares, or may be required to make a notification to the Treasury upon such conversion of the Bonds in the future. In addition, if the Issuer were deemed to be a covered foreign person in the future, U.S. persons’ acquisition of the Bonds could be subject to the prohibition or notification requirements under the Final Rules or additional regulations under the COINS Act, which could in turn affect the transferability of the Bonds. Investors should exercise caution on any potential investment restrictions or compliance obligations that may result from such changes in the future.

Modification and waivers may be made in respect of the Terms and Conditions and the Trust Deed by the Trustee without the consent of the Bondholders

The Terms and Conditions will contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions will further provide that the Trustee may, but shall not be obliged to, agree without the consent of the Bondholders to any modification of the Trust Deed, the Bonds and/or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

In addition, the Trustee may also, without the consent of the Bondholders, agree to any modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of the Bonds, the Trust Deed or the Agency Agreement (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders.

Exchange rate risks and exchange controls may affect an investor’s returns on the Bonds

Investment in the Bonds presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than HK dollars. These include the risk that exchange rates may significantly change (including changes due to

devaluation of the HK dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to HK dollars would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Bonds are legal investments for it;
- the Bonds can be used as collateral for various types of borrowing; and
- any other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

The Issuer's subsidiaries, jointly controlled entities and associated companies are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Issuer, its jointly controlled entities and associated companies

The Issuer depends on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Bonds. The ability of the Issuer's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Issuer cannot assure that its subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Issuer to make payments on the Bonds. These factors could reduce the payments that the Issuer receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its payment obligations under the Bonds.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations. The PRC subsidiaries, jointly controlled entities and associated companies of the Issuer are also required to set aside a portion of their post-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends.

There may be filing or other requirements of the CSRC or other PRC government authorities in relation to the issuance of the Bonds or further capital raise activities

On 17 February 2023, the CSRC released 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》) and supporting guidelines (together, the "**CSRC Filing Rules**"), which came into effect on 31 March 2023. The CSRC Filing Rules will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities

by adopting a filing-based regulatory regime. The CSRC Filing Rules state that, any post-listing follow-on offering by an issuer in an overseas market, including issuance of shares, convertible bonds and other similar securities, shall be subject to filing requirement within three business days after the completion of the offering. The Issuer has been advised that it is required to go through filing procedures with the CSRC after the completion of this Offering of the Bonds under the CSRC Filing Rules for this offering. The CSRC Filing Rules provide that an overseas offering and listing, including the follow-on offering of convertible bonds, is prohibited under any of the following circumstances: if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigation for suspicion of criminal offences or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller (the "**Forbidden Circumstances**"). In addition, in the process of filing, where the issuer may be under any of the Forbidden Circumstances, the CSRC may solicit the opinions of the competent government authorities under the State Council.

The Issuer will comply with applicable filing requirements as appropriate. However, the Issuer cannot assure that it is able to meet such requirements, obtain such permit of filing from the relevant government authorities, or complete such filing in a timely manner or at all. In addition, it cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirements on the Issuer. If it is determined that the Issuer is subject to any approval, filing, other governmental authorisation or requirements from the CSRC or other PRC government authorities, the Issuer may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject the Issuer to fines, penalties or other sanctions which may have a material adverse effect on its business and financial condition.

The issuance of the Bonds may result in downward pressure on the market price of the Shares

Many investors in convertible bonds seek to hedge their exposure in the underlying equity securities, often through short selling the underlying equity securities or similar transactions, such as the Concurrent Delta Placement. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares as well as on the trading price of the Bonds.

Bondholders have limited anti-dilution protection

The Conversion Price will be adjusted in the event that there is a consolidation, sub-division or reclassification, capitalisation of profit or reserves, capital distributions, other dilutive events or upon change of control but only in the situations and only to the extent provided in "*Terms and Conditions of the Bonds — Conversion — Adjustments to Conversion Price*" and "*Terms and Conditions of the Bonds — Conversion — Adjustment upon Change of Control*". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the market price of the Shares and therefore, adversely affect the market price of the Bonds.

The conversion of some or all of the Bonds will dilute the ownership interest of existing shareholders

The conversion of some or all of the Bonds will dilute the ownership interest of existing shareholders of the Issuer. Any sales in the public market of the Shares issuable upon such conversion or exercise, or the perception that such sale may occur could adversely affect prevailing market prices of the Shares and the Bonds. In

addition, the existence of the Bonds may encourage short selling by market participants because the conversion of the Bonds could depress the market price of the Shares.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of another jurisdiction with which the Bondholders are familiar

As the Issuer is incorporated under the laws of the Cayman Islands, any insolvency proceeding relating to the Issuer, even if brought in other jurisdictions, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Bondholders are familiar. There is no assurance that investors in the Bonds will be able to receive the same protection under the insolvency laws of the Cayman Islands as those in their respective home jurisdictions. As the Group conducts a substantial amount of its business operations through its PRC-incorporated subsidiaries in the PRC, the PRC laws and regulations relating to bankruptcy and insolvency and the legal proceedings in that regard are also relevant and may significantly differ from those of other jurisdictions with which the Bondholders are familiar. Investors should analyse the risks and uncertainties carefully before investing in the Bonds.

Future issuances of the Shares or equity-related securities may depress the trading price of the Shares

Any issuance of the Issuer's equity securities after this Offering could dilute the interest of the existing shareholders and could substantially decrease the trading price of the Shares. The Issuer may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt-to-equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of the Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Shares. The Issuer cannot predict the effect that future sales of the Shares or other equity-related securities would have on the market price of the Shares. In addition, the price of the Shares could be affected by possible sales of the Shares by investors who view the Bonds as a more attractive means of obtaining equity participation in the Issuer and by hedging or engaging in arbitrage trading activity involving the Bonds.

The Bonds will initially be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a "Clearing System"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Bonds. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by a Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. None of the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

A change in English law which will govern the Bonds may adversely affect Bondholders

The Terms and Conditions will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change English law or administrative practice after the date of issue of the Bonds.

It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against the Group or its management residing in the PRC

The Terms and Conditions and the transaction documents will be governed by English law and the Issuer will submit to the exclusive jurisdiction of the Hong Kong courts. However, most companies in the Group are incorporated in the PRC and a substantial amount of the Group's assets and companies are located in the PRC. Therefore, investors may encounter difficulties in effecting service of process from outside PRC upon the Group or its management.

Moreover, due to the difference in legal systems, Bondholders may experience difficulties in effecting service of legal process and enforcing foreign judgments in the PRC, as the case in many other jurisdictions. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other jurisdictions. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these non-PRC jurisdictions, as the case in many other jurisdictions, may be difficult.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (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 “**2019 Arrangement**”). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the PRC, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the “**Judicial Interpretation**”). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

Unlike other bonds issued in the international capital markets where holders of such bonds would typically not be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Bondholders' ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the PRC for recognition and enforcement of the judgement, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the PRC consider that the enforcement of such judgment is contrary to the basic principles of laws of the PRC or the social and public interests of the PRC. While it is expected that the relevant People's Courts of the PRC will recognize and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates representing the Bonds.

The issue of the HK\$2,866,000,000 in aggregate principal amount of zero coupon convertible bonds due 2027 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 (*Further Issues*) and consolidated and forming a single series therewith) of XtalPi Holdings Limited 晶泰控股有限公司 (the “**Issuer**”) and the right of conversion into Shares (as defined in Condition 6(a)(v) (*Meaning of “Shares”*)) was authorised by the board of directors of the Issuer on 7 January 2026. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 28 January 2026 (the “**Issue Date**”) made between the Issuer and The Bank of New York Mellon, London Branch as trustee for the holders (as defined below) of the Bonds (the “**Trustee**”, which expression shall include all persons for the time acting as trustee or trustees under the Trust Deed). These terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Bondholders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the paying, conversion and transfer agency agreement dated 28 January 2026 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Bonds made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent and principal conversion agent (collectively in those capacities, the “**Principal Agent**”), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”) and transfer agent and the other paying agents, conversion agents and transfer agents appointed under it (each a “**Paying Agent**”, a “**Conversion Agent**”, or a “**Transfer Agent**”, as the case may be, and together with the Registrar and the Principal Agent, the “**Agents**”, which expressions shall include their successors and all persons for the time being as agents under the Agency Agreement) relating to the Bonds. References to the “**Paying Agents**” and to the “**Conversion Agents**” each include the Principal Agent, and references to the “**Principal Agent**”, the “**Registrar**” and the “**Agents**” below are references to the principal agent, registrar and agents for the time being for the Bonds.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection following prior written request and proof of holding and identity to the satisfaction of the Trustee at all reasonable times during normal business hours (being between 9.00 a.m. and 3.00 p.m. (London time)) at the principal office for the time being of the Trustee (being as at the Issue Date at 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom) or (ii) may be provided by email to such holder requesting copies of such documents, in any such case following prior written request and proof of holding and identity to the satisfaction of the Trustee.

Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed.

1. **Status**

The Bonds constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 4(a) (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) (*Negative Pledge*), at all times rank at least equally with all of the Issuer’s other present and future unsecured and unsubordinated obligations.

2. **Form, Denomination and Title**

(a) *Form and Denomination:* The Bonds are issued in registered form in the specified denomination of HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof (each, an

“Authorised Denomination”). A bond certificate (each a “Certificate”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “Register”) which the Issuer will procure to be kept by the Registrar.

Upon issue, the Bonds will be represented by the Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream. The Conditions are modified by certain provisions contained in the Global Certificate. See “The Global Certificate”.

(b) *Title:* Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3 (*Transfers of Bonds; Issues of Certificates*). The holder of any Bond will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions “Bondholder” and (in relation to a Bond) “holder” means the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof).

3. Transfers of Bonds; Issue of Certificates

(a) *Register:* The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) *Transfer:* Subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back of such Certificate duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or any of the Transfer Agents, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of the transfer; *provided, however, that* a Bond may not be transferred unless the principal amount of the Bond transferred and (where not all of the Bonds held by the holder are being transferred) the principal amount of the balance of the Bonds not so transferred, is an Authorised Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds represented by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

(c) *Delivery of New Certificates:* Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within seven business days (as defined below) of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer’s expense) to the address specified in the form of transfer.

Except in the limited circumstances described herein (see “The Global Certificate”), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form.

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new Certificate in respect of the Bonds not so transferred, converted or redeemed will, within five business days (as defined below) of delivery of the original Certificate to the Registrar or, as the case may be, any Transfer Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted or redeemed (but free of charge to the holder and at the Issuer’s expense) to the address of such holder appearing on the Register.

For the purposes of this Condition 3 (*Transfers of Bonds; Issue of Certificates*), Condition 5 (*Interest*) and Condition 4 (*Negative Pledge and Other Covenants*), “**business day**” shall mean a day other than a Saturday, Sunday or public holiday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

- (d) *Formalities Free of Charge:* Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer, the Registrar or such Transfer Agent may require) in respect of any tax, duties, assessments or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title and/or identity of the person making the application and (iii) subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*).
- (e) *Closed Periods:* No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice (as defined in Condition 6(b)(i) (*Conversion Notice*)) has been delivered by such Bondholder with respect to a Bond; (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*)) has been deposited by such Bondholder in respect of such Bond pursuant to Conditions 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*); or (iv) during the period of seven days ending on (and including) any date of redemption pursuant to Conditions 8(b) (*Redemption for Taxation Reasons*) and 8(c) (*Redemption at the Option of the Issuer*). Each such period is a “**Closed Period**”.
- (f) *Regulations:* All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar at its specified office to any Bondholder following prior written request and proof of holding and identity to the satisfaction of the Registrar at all reasonable times during normal business hours.

4. **Negative Pledge and Other Covenants**

- (a) *Negative Pledge:* So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries (other than Listed Subsidiaries) will, create or permit to subsist any Security Interest (other than Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues

(including uncalled capital) to secure any Relevant Indebtedness, or to secure any Guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith or (ii) providing such other security for the Bonds as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

(b) *CSRC Post-Issuance Filings:* The Issuer undertakes to file or cause to be filed with the CSRC (as defined in Condition 4(d) (*Definitions*) below) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined below) (the “**CSRC Post-Issuance Filings**”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined in Condition 4(c) (*Notification of Submission of the Initial CSRC Post-Issuance Filing*) below)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

(c) *Notification of Submission of the Initial CSRC Post-Issuance Filing:* The Issuer (i) shall file or report or cause to be filed or reported the CSRC Filing Report and other requisite information and documents in respect of the Bonds that are required to be filed with the CSRC within three PRC Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”), and (ii) shall within ten PRC Business Days after the submission of the Initial CSRC Post-Issuance Filing provide the Trustee with a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory (as defined in the Trust Deed) confirming (I) the submission of the Initial CSRC Post-Issuance Filing; and (II) no Relevant Event, Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred (the “**Registration Certificate**”). In addition, the Issuer shall, within ten PRC Business Days after the Registration Certificate is delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16 (*Notices*)) confirming the submission of the Initial CSRC Post-Issuance Filing.

The Trustee may rely conclusively on the Registration Certificate and any other document, confirmation, evidence and/or notice in relation to or in connection with the CSRC Post-Issuance Filings and shall have no obligation or duty to monitor or ensure that the CSRC Post-Issuance Filings are made as required by Condition 4(b) (*CSRC Post-Issuance Filings*) and this Condition 4(c) (*Notification of Submission of the Initial CSRC Post-Issuance Filing*) or to assist with the CSRC Post-Issuance Filings or to verify the accuracy, content, completeness, validity and/or genuineness of the Registration Certificate or any other document, confirmation, evidence and/or notice in relation to or in connection with the CSRC Post-Issuance Filings or any translation or certification thereof or to translate or procure that any Registration Certificate or other document, confirmation, evidence and/or notice in relation to or in connection with the CSRC Post-Issuance Filings is translated into English or to verify the accuracy or completeness of any English translation or to give notice to the Bondholders confirming the submission of the Initial CSRC Post-Issuance Filing or of any other CSRC Post-Issuance Filings, and shall not be liable to Bondholders or any other person for any of the foregoing and for not doing so.

(d) *Definitions:* In these Conditions:

“**CSRC**” means the China Securities Regulatory Commission and/or its local branches or offices;

“**CSRC Filing Rules**” means 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) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time;

“**CSRC Filing Report**” means the filing report of the Issuer in relation to the issuance of the Bonds which will be submitted to the CSRC within three PRC Business Days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules;

“Guarantee” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases (other than any liability in respect of a lease or hire purchase contract which would have been classified as an “operating lease” before the adoption of GAAP 16);
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days (other than trade payables incurred in the ordinary course of business); and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“Listed Subsidiary” means, with respect to any Person, any Subsidiary with any class of shares carrying Voting Rights of which is listed, whether on the Issue Date or in the future, on any nationally or internationally recognised stock exchange and any Subsidiary of a Listed Subsidiary;

“Permitted Security Interest” means (a) any Security Interests existing on the Issue Date; or (b) any Security Interest existing on any undertaking, property, assets or revenues of any person at the time such person becomes a Subsidiary of the Issuer or such undertaking, property, assets or revenues are acquired by the Issuer or any Subsidiary of the Issuer *provided that* no such Security Interest shall extend to other undertaking, property, assets or revenues of such person or the Issuer or any Subsidiary of the Issuer;

“PRC Business Day” means a day, other than a Saturday, Sunday or public holiday on which commercial banks are open for business in Beijing, the PRC;

“PRC” means the People’s Republic of China, which, for the purposes of these Conditions, shall not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“Relevant Indebtedness” means any Indebtedness (incurred outside the PRC) which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market but not any non-tradeable securities) (which shall not include any indebtedness under any bilateral loans or syndicated bank loans or club deal loans of the Issuer or any of the Issuer’s Subsidiaries);

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“**Subsidiary**” means, in relation to any Person, any entity which is “controlled” and consolidated by such Person in accordance with applicable International Financial Reporting Standards.

In this Condition 4 (*Negative Pledge and Other Covenants*), “**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

5. **Interest**

The Bonds are zero coupon and do not bear interest unless, upon due presentation thereof, payment of principal or premium (if any) is improperly withheld or refused. In such event, such unpaid amount shall bear interest at 3.75 per cent. per annum (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (ii) the day falling seven days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Interest shall, if required to be calculated in respect of any Bond, be calculated per HK\$1,000,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the annual rate of interest specified above in this Condition 5 (*Interest*), the Calculation Amount and the relevant day-count fraction determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6. **Conversion**

(a) Conversion Right

(i) *Conversion Period:* Subject as hereinafter provided, the Bondholders have the right to convert their Bonds into Shares (as defined in Condition 6(a)(v) (*Meaning of “Shares”*)) at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the “**Conversion Right**”.

Subject to, and upon compliance with, the provisions of this Condition 6 (*Conversion*), the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after 10 March 2026 (A) up to the close of business (at the place where the Certificate representing such Bond is deposited for conversion) on the seventh working day prior to the Maturity Date (as defined in Condition 8(a) (*Maturity*)) (both days inclusive) (but except as provided in Condition 6(a)(iv) (*Revival and/or Survival after Default*), in no event thereafter); (B) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof; or (C) if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) then up to the close of business (at the place aforesaid) on the business day (in the place aforesaid) prior to the giving of such notice (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of shareholders of the Issuer is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(b)(i)) (*Conversion Notice*) following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

For the purpose of this Condition 6(a)(i), “**working day**” means a day other than a Saturday, Sunday or a public holiday on which commercial banks and foreign exchange markets are generally open for business in the city which the specified office of the Principal Agent is located.

The number of Shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect on the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted by such holder rounded down to the nearest whole number of Shares.

- (ii) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if a Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 7 January 2026 which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in HK dollars) a sum equal to such portion of the principal amount of the Bond or Bonds represented by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(a)(i) (*Conversion Period*), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100.00. Any such sum shall be paid not later than five Stock Exchange Business Days (as defined in Condition 6(b)(i)) after the relevant Conversion Date by the Issuer directly to the converting Bondholder by transfer to an HK dollar account maintained by the payee in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.
- (iii) *Conversion Price:* The price at which Shares will be issued upon conversion (the “**Conversion Price**”) will initially be HK\$13.85 per Share, but will be subject to adjustment in the manner provided in Condition 6(c) (*Adjustments to Conversion Price*) and Condition 6(d) (*Adjustment upon Change of Control*).
- (iv) *Revival and/or Survival after Default:* Notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), if (A) the Issuer shall default in making payment in full in respect

of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (B) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10 (*Events of Default*), or (C) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(a) (*Maturity*) or Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*), the Conversion Rights attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate representing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

(v) *Meaning of “Shares”*: As used in these Conditions, the expression “**Shares**” means ordinary shares of par value U.S.\$0.00001 each of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(b) Conversion Procedure

(i) *Conversion Notice*: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours (being 9:00 a.m. to 3:00 p.m., Monday to Friday on which commercial banks are open for business in London) at the specified office of any Conversion Agent a duly completed and signed notice of conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from the specified office of each Agent, together with the relevant Certificate and confirmation that any amounts required to be paid by the Bondholder under Condition 6(b)(ii) (*Stamp Duty etc.*) have been so paid. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Bond (the “**Conversion Date**”) must fall at a time when a Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(a)(iv) (*Revival and/or Survival after Default*)) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice to the relevant Conversion Agent and, if applicable, the date of making any payment or giving any indemnity under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the hours specified above on the next business day following such day. Any Bondholder who deposits a Conversion Notice during a Book Closure Period will not be permitted to convert the Bonds into Shares (as specified in the Conversion Notice) until the next Stock Exchange Business Day after the end of the Book Closure Period, which (if all other conditions to the conversion have been fulfilled) will be the Conversion Date for such

Bonds notwithstanding that such date may fall outside the Conversion Period. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal or the Issuer fails to deliver Shares in accordance with these Conditions.

“Stock Exchange Business Day” means any day (other than a Saturday, Sunday or public holiday) on which The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or the Alternative Stock Exchange (as defined in Condition 6(d) (*Adjustment upon Change of Control*) below), as the case may be, is open for the business of dealing in securities.

- (ii) *Stamp Duty etc.:* A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant authorities (A) any taxes and capital, stamp, issue, documentary and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in the Cayman Islands and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, in respect of the allotment and issue of Shares and listing of the Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange on conversion (“**Issuer Taxes**”), which shall be paid by the Issuer) and (B) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion ((A) and (B) together, “**Bondholder Taxes**”, and such Bondholder Taxes and Issuer Taxes, together in these Conditions, “**Taxes**”). The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds. The Bondholder must declare in the relevant Conversion Notice that any Taxes payable to the relevant tax authorities pursuant to this Condition 6(b)(ii) have been paid. Neither the Trustee nor any Agent is under an obligation to determine whether the Issuer or a Bondholder is liable to pay any Taxes or other amounts payable (if any) in connection with or as referred to in this Condition 6(b)(ii) or the amount thereof, and whether any Taxes or other amounts have been paid or the sufficiency thereof.
- (iii) *Registration:* As soon as practicable, and in any event not later than seven Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice and the relevant Certificate have been delivered and amounts payable by the relevant Bondholder as required by Conditions 6(b)(i) (*Conversion Notice*) and 6(b)(ii) (*Stamp Duty etc.*) have been paid, (A) register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer’s share register and (B) (x) if the Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong (the “**CCASS**”) effective from time to time, take all necessary action to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Hong Kong Stock Exchange; or (y) make such certificate or certificates available for collection at the office of the Issuer’s share registrar in Hong Kong (currently at Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) notified to Bondholders in accordance with Condition 16 (*Notices*) or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

If (I) the Registration Date in relation to the conversion of any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(c) (*Adjustments to Conversion Price*) and (II) the Conversion Date in relation to such exercise shall be before the date on which such adjustment to the Conversion Price becomes effective under the relevant Condition (any such adjustment, a “**Retroactive Adjustment**”), upon the relevant adjustment to the Conversion Price becoming effective under the relevant Condition, the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares (“**Additional Shares**”) as is, together with Shares to be issued on conversion of the Bonds, equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately prior to the relevant Conversion Date and in such event and in respect of such Additional Shares references in this Condition 6(b)(iii) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer’s register of members (the “**Registration Date**”). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects, subject to mandatory provisions of applicable law, rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date. Upon delivery of Shares in satisfaction of the Conversion Right of any converting Bondholder and the completion of such registration in accordance with this Condition 6(b)(iii), the right of such converting Bondholder to any repayment of the principal, premium or any other amounts under the Bond so converted shall be extinguished.

(c) **Adjustments to Conversion Price**

Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows but no adjustment shall be made which will cause the Conversion Price to be less than the par value of the Shares:

(i) **Consolidation, Subdivision or Reclassification:** If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

“A” is the nominal amount of one Share immediately after such alteration; and

“**B**” is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(ii) *Capitalisation of Profits or Reserves:*

(A) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Distribution (as defined in this Condition 6 (*Conversion*)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

“**A**” is the aggregate nominal amount of the issued Shares immediately before such issue; and

“**B**” is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if the number of such Shares is fixed on announcement and a record date is fixed therefor, immediately after such record date.

(B) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the last Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

“**A**” is the aggregate nominal amount of the issued Shares immediately before such issue;

“**B**” is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip

Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

“C” is the aggregate nominal amount of Shares issued by way of such Scrip Dividend;

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(iii) *Distributions:*

(A) Subject to Condition 6(c)(iii)(B), if and whenever the Issuer shall pay or make any Distribution to the Shareholders other than in cash only (except to the extent that the Conversion Price falls to be adjusted under Condition 6(c)(ii) (*Capitalisation of Profits or Reserves*) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

“A” is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and

“B” is the Fair Market Value on the date of such announcement of the portion of the Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Distribution is actually made or, if later, the first date upon which the Fair Market Value of the Distribution is capable of being determined as provided in these Conditions.

(B) If and whenever the Issuer shall pay or make any Distribution in cash only to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

“A” is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and

“B” is the amount of cash so distributed attributable to one Share.

Such adjustment shall become effective on the date on which such Distribution in cash is actually made or if a record date is fixed therefore, immediately after such record date.

(iv) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights issue, or issue or grant to all or substantially all Shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

“A” is the number of Shares in issue immediately before such announcement;

“B” is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Shares comprised therein would subscribe, purchase or otherwise acquire at such Current Market Price per Share; and

“C” is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(v) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class, by way of rights issue, or the grant to all or substantially all Shareholders as a class by way of rights issue, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

“A” is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and

“B” is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is

set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(vi) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

“A” is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

“B” is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and

“C” is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Issuer of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(c)(vii), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*), 6(c)(v) (*Rights Issues of Other Securities*) or 6(c)(vi) (*Issues at less than Current Market Price*) or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries), any other company, person or entity shall issue wholly for cash any securities (other than the Bonds but excluding for this purpose any further bonds issued pursuant to Condition 15 (*Further Issues*)) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

“A” is the number of Shares in issue immediately before such issue;

“B” is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

“C” is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

(viii) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(c)(vii) (*Other Issues at less than Current Market Price*) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

“A” is the aggregate number of Shares in issue immediately before such modification;

“B” is the maximum number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

“C” is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 6(c)(viii) (*Modification of Rights of Conversion etc.*) or Condition 6(c)(vii) (*Other Issues at less than Current Market Price*).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(ix) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(c)(iv) (*Rights Issues of Shares or Options over Shares*), Condition 6(c)(v) (*Rights Issues of Other Securities*), Condition 6(c)(vi) (*Issues at less than Current Market Price*) or Condition 6(c)(vii) (*Other Issues at less than Current Market Price*), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

“A” is the Current Market Price of one Share on the date on which such issue, sale or distribution is publicly announced; and

“B” is the Fair Market Value of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities or, if a record date is fixed therefor, immediately after such record date or if later, the first date upon which the Fair Market Value of the relevant securities is capable of being determined as provided herein. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “Fair Market Value” (as defined in Condition 6(e) (*Definitions*))) be determined as at the date on which the terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Shares is capable of being determined as provided herein.

(x) *Determination by the Issuer:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not referred to in Conditions 6(c)(i) (*Consolidation, Subdivision or Reclassification*) to 6(c)(ix) (*Other Offers to Shareholders*) above) (even if the relevant event or circumstance is specifically excluded in these Conditions from the operation of Conditions 6(c)(i) (*Consolidation, Subdivision or Reclassification*) to 6(c)(ix) (*Other Offers to Shareholders*) above), or that an adjustment should not be made (even if the relevant event or circumstance is specifically provided for in Conditions 6(c)(i) (*Consolidation, Subdivision or Reclassification*) to 6(c)(ix) (*Other Offers to Shareholders*) above), or that the effective date for the relevant adjustment should be a date other than that mentioned in Conditions 6(c)(i) (*Consolidation, Subdivision or Reclassification*) to 6(c)(ix) (*Other Offers to Shareholders*) above, the Issuer may, at its own expense, request an Independent Investment Bank, acting as expert, to determine as soon as practicable (i) what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereto and is appropriate to give the result which the Independent Investment Bank considers in good faith to reflect the intentions of the provisions of this Condition 6(c) (*Adjustments to Conversion Price*); and (ii) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination; *provided that* where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(c) (*Adjustments to Conversion Price*) have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6(c) (*Adjustments to Conversion Price*) as may be advised

by the Independent Investment Bank to be in its opinion appropriate to give the intended result, *provided that* an adjustment shall only be made pursuant to this Condition 6(c) (*Adjustments to Conversion Price*) if it would result in a reduction to the Conversion Price.

(d) Adjustment upon Change of Control:

If a Change of Control (as defined in Condition 8(i) (*Definitions*)) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 16 (*Notices*) within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula

$$NCP = \frac{OCP}{1 + (CP \times c/t)}$$

where:

“**NCP**” means the Conversion Price after such adjustment;

“**OCP**” means the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this Condition 6(d) shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion to which this Condition 6(d) is applicable;

“**CP**”, or conversion premium, means 25 per cent. expressed as a fraction;

“**c**” means the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date, *provided that* the Conversion Price shall not be reduced pursuant to this Condition 6(d) below the level permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Closed Period or a Book Closure Period, the Change of Control Conversion Period shall be extended such that its last day will be the 15th day following the last day of the Closed Period or the Book Closure Period, as the case may be.

(e) Definitions

For the purposes of these Conditions:

“**Alternative Stock Exchange**” means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;

“**Closing Price**” for the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet for such day;

“Current Market Price” means, in respect of a Share at a particular time on a particular date, the average of the Closing Price quoted by the Hong Kong Stock Exchange or, as the case may be, by the Alternative Stock Exchange for one Share (being a Share carrying full entitlement to dividend) for each of the ten consecutive Trading Days ending on and including the Trading Day immediately preceding such date; *provided that* if at any time during the said ten Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Closing Price thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the Closing Price thereof increased by such similar amount,

and *provided further that* if the Shares on each of the said ten Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share and provided further that:

- (A) if such Closing Prices are not available on each of the ten Trading Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and
- (B) if only one or no such Closing Prices is available in the relevant period, then the Current Market Price shall be determined in good faith by an Independent Investment Bank;

“Daily Quotation Sheet” means the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange;

“Distribution” means any dividend or distribution, whether of cash or assets in specie or other property by the Issuer for any financial period, and whenever paid or made and however described or declared after the Issue Date, and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent that an adjustment to the Conversion Price is made in respect thereof under Condition 6(c)(ii)(A) and a Scrip Dividend adjusted for under Condition 6(c)(ii)(B)) by way of capitalisation of reserves and including any Scrip Dividend to the extent of the Relevant Cash Dividend;

“Fair Market Value” means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, provided that an Independent Investment Bank will not be required to determine the fair market value where (i) the Distribution is paid in cash, in which case the fair market value of such cash Distribution per Share of the relevant class shall be the amount of such cash Distribution per Share of such class determined as at the date of announcement of such cash Distribution and (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank), the fair market

value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than HK dollars shall be translated into HK dollars at the Prevailing Rate on such date. In addition, in the case of provisos (i) and (ii) above of this definition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit;

“Independent Investment Bank” means an independent investment bank of international repute (acting as an expert) selected and appointed by the Issuer and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint an Independent Investment Bank and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by any Independent Investment Bank;

“Prevailing Rate” means, in respect of any currency on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined; and

“Trading Day” means a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for the business of dealing in securities, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

(f) Conversion Price

- (i) On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 16 (*Notices*) as soon as practicable after the determination thereof.
- (ii) The Conversion Price may not be reduced so that, on conversion of Bonds, Shares would fall to be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in Hong Kong and the Cayman Islands.
- (iii) Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in its opinion appropriate in order to give such intended result.
- (iv) Notwithstanding any provision in Condition 6(c) (*Adjustments to Conversion Price*), when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant

to any Employee Share Scheme (as defined in the Trust Deed) (and which Employee Share Scheme is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or, if applicable, the listing rules of an Alternative Stock Exchange) ("Share Scheme Shares/Options"), no adjustment will be made to the Conversion Price unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to this Condition 6 (*Conversion*)) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during any 12-month period, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds three per cent. of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining adjustment of the Conversion Price pursuant to this Condition 6 (*Conversion*). No adjustment will be made to the Conversion Price involving an increase in the Conversion Price, except in the case of a consolidation or re-classification of the Shares as referred to in Condition 6(c)(i) (*Consolidation, Subdivision or Reclassification*) above or where there has been a proven manifest error in the calculation of the Conversion Price. The Issuer may at any time, following notice being given to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*), reduce the Conversion Price, subject to the other provisions of this Condition 6(c) (*Adjustments to Conversion Price*).

Neither the Trustee nor the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation (or verification thereof) in connection with the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by them to do so. All adjustments to the Conversion Price under Condition 6(c) (*Adjustments to Conversion Price*) shall be determined by the Issuer, and, if applicable, the Independent Investment Bank, and neither the Trustee nor the Agents shall be responsible for verifying such determinations.

(g) **Undertakings**

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders:

- (i) it will use its reasonable endeavours (a) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange, *provided that* if the Issuer is unable to obtain or maintain such listing or if the maintenance of such listing is unduly onerous, it will use its reasonable endeavours to obtain and maintain a listing for all the issued Shares on such Alternative Stock Exchange as the Issuer may from time to time select and notify to the Trustee and the Bondholders in accordance with Condition 16 (*Notices*) of the listing or delisting of the Shares (as a class) by any of such stock exchanges;
- (ii) it will use its reasonable endeavours to maintain a listing for the Bonds on the Hong Kong Stock Exchange *provided that* if the Issuer is unable to obtain or maintain such listing having used its reasonable endeavours or if the maintenance of such listing or trading is unduly burdensome or impractical, it will use its best endeavours to obtain and maintain admission to listing, trading and/or quotation for the Bonds on an Alternative Stock Exchange as the Issuer may from time to time decide and notify to the Trustee and the Bondholders in accordance with Condition 16 (*Notices*) of the listing or delisting Bonds by any of such stock exchanges; and
- (iii) it will pay the expenses of the issue of, and all expenses of obtaining listing for the Shares issued on the exercise of the Conversion Rights attaching to the Bonds and for the Bonds

(other than Taxes payable by the relevant Bondholder, as defined in Condition 6(b)(ii) (*Stamp Duty etc.*)).

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding:

- (A) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid;
- (B) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the redemption or reduction is permitted by applicable law and results in (or would, but for the provisions of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price in accordance with Condition 6 (*Conversion*) or is otherwise taken into account for the purposes of determining whether such an adjustment should be made;
- (C) it will comply with any law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign having jurisdiction over the Issuer or any Subsidiary or any of their respective assets and properties; and
- (D) it will not make any offer, issue, grant or distribute or take any action which would result in an adjustment of the Conversion Price if, after giving effect thereto, the Conversion Price would be reduced to such an extent that the Shares to be issued on the conversion of any Bond would be issued below the par value of the Shares of the Issuer,

provided always that the Issuer shall not be prohibited from purchasing its Shares to the full extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(h) Notice of Change in Conversion Price

The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*) of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

7. **Payments**

(a) Principal

Payment of principal, premium (if any) and any other amount will be in HK dollars and will be made by transfer to the registered account of the Bondholder. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant

clearing system on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

(b) Registered Accounts

For the purposes of this Condition 7 (*Payments*), a Bondholder’s registered account means the HK dollar account maintained by or on behalf of it, details of which appear on the Register at the close of business on the second Payment Business Day (as defined below in Condition 7(f) (*Payment Business Day*)) before the due date for payment, and a Bondholder’s registered address means its address appearing on the Register at that time.

(c) Fiscal Laws

All payments in respect of the Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) Payment Initiation

Payment instructions (for value on the due date or, if that is not a Payment Business Day (as defined below in Condition 7(f) (*Payment Business Day*)), for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of principal, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

(e) Delay In Payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so).

(f) Payment Business Day

In this Condition 7 (*Payments*), “**Payment Business Day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks are open for business in Hong Kong and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

(g) Partial Payment

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8. **Redemption, Purchase and Cancellation**

(a) Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 101.76 per cent. of its principal amount on 26 January 2027 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(b) (*Redemption for Taxation Reasons*) or 8(c) (*Redemption at the Option of the Issuer*) below (but without prejudice to Condition 10 (*Events of Default*)).

(b) Redemption for Taxation Reasons

- (i) The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, at the Early Redemption Amount on the date specified in the Tax Redemption Notice for redemption (the “**Tax Redemption Date**”), if immediately prior to the giving of such notice the Issuer satisfies the Trustee that (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations or rulings (including a holding by a court of competent jurisdiction) of any Relevant Tax Jurisdiction (as defined in Condition 9 (*Taxation*)), or any change in the general application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after 7 January 2026, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided that* no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.
- (ii) Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(b), the Issuer shall deliver to the Trustee (a) a certificate signed by two directors who are also Authorised Signatories of the Issuer (each of whom is an Authorised Signatory) stating that the obligation referred to in (A) above of Condition 8(b)(i) cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment referred to in (A) above of Condition 8(b)(i) has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) and it shall be conclusive and binding on the Bondholders. On the Tax Redemption Date, the Issuer (subject to Condition 8(b)(iii) below) shall redeem the Bonds at the Early Redemption Amount.
- (iii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i), each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment to be made in respect of such Bond(s) whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 9 (*Taxation*) and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(b)(iii), the holder of the relevant Bond must complete, sign and deposit during normal business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent))

at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (the “**Tax Option Exercise Notice**”) together with the Certificate representing the Bonds on or before the day falling 10 days prior to the Tax Redemption Date. A Tax Option Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent. The Issuer shall be solely responsible for the determining the tax status of Bondholders, calculating, administering, reporting and/or remitting withholding taxes to the relevant tax authority. In case of the Global Certificate, if there is no applicable Euroclear or Clearstream procedure for such required deduction or withholding, the Issuer acknowledges and agrees that the Paying Agent will be unable to facilitate payments to the Bondholders.

(c) **Redemption at the Option of the Issuer**

On giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 16 (*Notices*) (which notice will be irrevocable) and in writing to the Trustee and the Principal Agent, the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount *provided that* prior to the date upon which notice of such redemption is published the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further bonds issued pursuant to Condition 15 (*Further Issues*) and consolidated and forming a single series with the Bonds).

(d) **Redemption for Delisting, Suspension of Trading or Change of Control**

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Bonds on the Relevant Event Redemption Date (as defined below) at the Early Redemption Amount as at the Relevant Event Redemption Date. To exercise such right, the holder of the relevant Bond must deposit during normal business hours (being between 9:00 a.m. and 3:00 p.m.) at the specified office of any Paying Agent a duly completed and signed notice of redemption, substantially in the form as scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent, specifying the number of Bonds to be redeemed and the Relevant Event that has occurred (a “**Relevant Event Redemption Notice**”), together with the Certificate representing the Bonds to be redeemed by not later than (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16 (*Notices*). The “**Relevant Event Redemption Date**” shall be the 14th day after the expiry of such period of 60 days as referred to in (i) and (ii) above of this Condition 8(d).

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their Conversion Rights and their rights to require redemption of the Bonds pursuant to this Condition 8(d) and shall give brief details of the Relevant Event.

None of the Trustee or the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur

and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. The Trustee and the Agents shall not be required to take any steps to ascertain whether the condition for the exercise of the rights in accordance with this Condition 8(d) has occurred. None of the Trustee or the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition 8(d) and none of them will be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so. None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 8(d) or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and none of them will be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

A “**Relevant Event**” occurs:

- (i) when the Shares cease to be listed or admitted to trading or are suspended (other than for a temporary suspension) for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Delisting**”); or
- (ii) when there is a Change of Control.

(e) Early Redemption Amount

For the purposes of these Conditions:

the “**Early Redemption Amount**” of a Bond, for each HK\$1,000,000 principal amount of the Bonds, is the amount determined to represent for the Bondholder on the relevant date for determination of the Early Redemption Amount (the “**Determination Date**”) a gross yield of 1.75 per cent. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each HK\$1,000,000 principal amount of Bonds is calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is a Semi-annual Date (being each of the dates set out in the left hand column in the table below), such Early Redemption Amount shall be as set out in the right hand column in the table below in respect of such Semi-annual Date):

$$\text{Early Redemption Amount} = \text{Previous Redemption Amount} \times (1 + r/2)d/p$$

where

Previous Redemption Amount = the Early Redemption Amount for each HK\$1,000,000 principal amount on the Semi-annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to the first Semi-annual Date, HK\$1,000,000):

Semi-annual Date	Early Redemption Amount
	(HK\$)
28 July 2026	1,008,750

r = 1.75 per cent. expressed as a fraction;

Semi-annual Date	Early Redemption Amount
d = number of days from and including the immediately preceding Semi-annual Date (or if the Bonds are to be redeemed on or before the first Semi-annual Date, from and including the Issue Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed;	
p = 180.	

(f) Purchase

The Issuer and any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Any Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of, among other things, calculating quorums at meetings of the Bondholders or for the purposes of Conditions 10 (*Events of Default*), 12 (*Enforcement*) and 13 (*Meetings of Bondholders, Modification, Waiver and Substitution*).

(g) Cancellation

All Bonds which are redeemed or converted, or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(h) Redemption Notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 8 (*Redemption Purchase and Cancellation*) will be irrevocable and will specify (i) the Conversion Price as at the date of the relevant notice, (ii) the last day on which Conversion Rights may be exercised, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the date for redemption, (v) the applicable redemption amount and (vi) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition 8 (*Redemption Purchase and Cancellation*)), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable hereunder or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto and none of them shall be liable to the Bondholders or any other person for not doing so.

(i) Definitions

For the purposes of this Condition 8 (*Redemption Purchase and Cancellation*):

a “**Change of Control**” occurs when:

- (i) any Person or Persons, acting together, acquires Control of the Issuer provided that such person or persons does not or do not have, and would not be deemed to have, Control on the Issue Date; or
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person or Persons acting together, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity;

“**Control**” or used as a verb “**Control(s)**” means (i) the acquisition or holding of legal or beneficial ownership or control of more than 50.0 per cent. of the Voting Rights of the issued share capital of the Issuer, or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise;

“**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s direct or indirect Subsidiaries; and

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of the Issuer (including, at the time, stock of any other class or classes which shall have, or might have, voting power by reason of the happening of any contingency).

9. **Taxation**

All payments made by the Issuer under or in respect of the Bonds and the Trust Deed will be made free from any set-off, counterclaim, restriction or condition and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by (a) any jurisdiction where the Issuer is organised or otherwise considered by a taxing authority to be resident for tax purposes or any political organisation or governmental authority thereof or therein having power to tax or (b) Hong Kong, or any political organisation or governmental authority thereof or therein having power to tax ((a) and (b) of this Condition 9 each, a “**Relevant Tax Jurisdiction**”), unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts (the “**Additional Tax Amounts**”) as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

- (i) *Other connection:* to a Bondholder (or to a third party on behalf of a Bondholder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with a Relevant Tax Jurisdiction otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or
- (ii) *Presentation more than 30 days after the relevant date:* (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to

the extent that the holder would have been entitled to such Additional Tax Amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days;

For the purposes hereof, “**relevant date**” means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

References in these Conditions to principal, premium (if any) and any other amount payable in respect of the Bonds shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 9 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

10. **Events of Default**

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding, or if so directed by an Extraordinary Resolution, shall (subject in either case to being indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become due and repayable at their Early Redemption Amount (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6 (*Conversion*)) if:

- (a) *Non-Payment*: there is a default in the payment of any principal or premium (if any) due in respect of the Bonds on the due date for such payment;
- (b) *Breach of Other Obligations*: the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed, which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;
- (c) *Failure to deliver Shares*: the Issuer fails to deliver the Shares as and when such Shares are required to be delivered following exercise of Conversion Rights in respect of Bonds;
- (d) *Cross-default of Issuer or Subsidiary*:
 - (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or
 - (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the aggregate amount of the relevant Indebtedness and Guarantees in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds U.S.\$25,000,000 or its equivalent in any other currency or currencies;

- (e) *Unsatisfied judgment:* one or more final judgment(s) or order(s) for the payment outstanding and not paid or discharged of an aggregate amount in excess of U.S.\$25,000,000 or its equivalent in any other currency or currencies is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (f) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;
- (g) *Insolvency, etc.:* (i) the Issuer or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made and such application is not discharged or stayed within 30 days) in respect of the Issuer or any of its Principal Subsidiaries or the whole or a material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries, (iii) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it and such action is not discharged or stayed within 30 days or (iv) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (other than, in the case of a Principal Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);
- (h) *Enforcement proceedings:* a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenue of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;
- (i) *Winding up, etc.:* an order is made or an effective resolution passed for the liquidation, winding-up or dissolution, judicial management or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Principal Subsidiaries;
- (j) *Analogous event:* any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in Conditions 10(e) (*Unsatisfied judgment*) to 10(i) (*Winding up, etc.*) above;
- (k) *Failure to take action, etc.:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Certificates and the Trust Deed admissible in evidence in the courts of the Cayman Islands is not taken, fulfilled or done;
- (l) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed;

- (m) *Government intervention:* (i) all or a material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer or any of its Principal Subsidiaries is prevented by any such person from exercising normal control over all or a material part of its undertaking, assets and revenues; or
- (n) *Authorisation and consents:* any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, the Trust Deed and the Agency Agreement, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done.

For the purpose of this Condition 10, “**Principal Subsidiary**” means any Subsidiary of the Issuer:

- (i) whose revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its latest audited statement of profit or loss is at least ten per cent. of the consolidated gross revenues as shown by the latest audited consolidated statement of profit or loss of the Issuer; or
- (ii) whose gross assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet are at least ten per cent. of the consolidated gross assets as shown by the latest published audited consolidated balance sheet of the Issuer,

provided that, in relation to sub-paragraphs (i) and (ii) above of this definition:

- (A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation above shall, until audited consolidated financial statements of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are prepared be deemed to be a reference to the then latest audited consolidated financial statements of the Issuer adjusted to consolidate the latest audited financial statements (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such financial statements;
- (B) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated financial statements are prepared and audited, the determination of whether or not a Subsidiary is a Principal Subsidiary shall be on the basis of *pro forma* consolidated financial statements prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee;
- (C) if at any relevant time in relation to any Subsidiary, no financial statements are audited, the determination of whether or not a Subsidiary is a Principal Subsidiary shall be on the basis of *pro forma* financial statements (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee; and
- (D) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its financial statements (consolidated, if appropriate) with the

consolidated financial statements (determined on the basis of the foregoing) of the Issuer;
or

(iii) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited consolidated financial statements of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i) or (ii) above of this definition.

A certificate signed by two directors of the Issuer (each of whom is an Authorised Signatory) that, in their opinion, a Subsidiary is or is not or was or was not or would or would not have been, pursuant to the immediately preceding paragraph, treated as, at any particular time, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties concerned. Each such certificate shall be accompanied by a report by a recognised firm of accountants of good repute addressed to the directors of the Issuer and to the Trustee as to proper extraction of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation. The Trustee shall be entitled to rely on such certificate without any further investigation or liability to Bondholders or any other person.

References to the audited statement of profit or loss and audited balance sheet of a Subsidiary which has subsidiaries shall be construed as references to the audited consolidated statement of profit or loss and consolidated balance sheet of such Subsidiary and its subsidiaries, if such are required by law to be produced, or if no such statement of profit or loss or balance sheet is required by law to be produced, to a *pro forma* statement of profit or loss or balance sheet, prepared for the purpose of such certificate. References to “**revenue**”, “**gross assets**”, consolidated or non-consolidated, shall include references to equivalent items in the relevant accounts as extracted from the financial statements audited by a recognised firm of accountants of good repute.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and the Trustee and the Agents need not do anything to ascertain whether an Event of Default or any Potential Event of Default has occurred or is continuing or may occur and none of them will be responsible to Bondholders or any other person for any loss arising from any failure by it to do so, and unless the Trustee or any Agent has received express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

11. **Prescription**

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal or other sums payable hereunder) from the relevant date (as defined in Condition 9 (*Taxation*)) in respect thereof.

12. **Enforcement**

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such steps and/or actions or institute such proceedings against the Issuer as it may think

fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed and the Bonds, but it will not be bound to take any such steps and/or actions or institute any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13. Meetings of Bondholders, Modification, Waiver and Substitution

(a) Meetings

The Trust Deed contains provisions for convening meetings of Bondholders (including meetings held by way of video or audio conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed and the Agency Agreement. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee following request in writing from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the amount of principal, any premium or interest (if any) payable in respect of the Bonds or changing the method of calculation of interest (if any), (iii) to change the currency of payment of the Bonds, (iv) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel any of the Conversion Rights, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution (each a “**Reserved Matter**”), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting.

The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

So long as the Bonds are represented by the Global Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of all the Bondholders of not less than 90 per cent in aggregate principal amount of the Bonds for the time being outstanding.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except for Reserved Matters in Condition 13(a) (*Meetings*) above) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is, in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

(c) Directions from Bondholders

None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions or clarifications from the Bondholders by way of an Extraordinary Resolution, and the Trustee is not responsible or liable to Bondholders, the Issuer or any other person for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or clarifications or in the event that no such directions or clarifications are received. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed or these Conditions.

(d) Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 (*Taxation*) and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(e) Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not obtained by or addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered

into in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

14. **Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Transfer Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and/or the Registrar and/or such Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. **Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the timing for submitting the CSRC Post-Issuance Filings and the corresponding notification to the Trustee and the Bondholders thereof) so as to be consolidated and form a single series with the Bonds. Any further bonds consolidated into and forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

16. **Notices**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar. Any such notice shall be deemed to have been given on the later of the date(s) of such publication(s) and the seventh day after being so mailed, as the case may be.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System for communication by it to entitled account holders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

17. **Agents**

The names of the initial Agents and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint replacement or additional or other Agents. The Issuer will at all times maintain (a) a Principal Agent and (b) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom and (c) a transfer agent. Notice of any such termination or appointment, of any changes in the specified offices of any Agent and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders and in any event not less than 45 days' notice will be given.

18. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking actions or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any Bondholder and any entity related (directly and/or indirectly) to the Issuer or any Bondholder without accounting for any profit.

19. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.

20. **Governing Law and Submission to Jurisdiction**

The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds ("Proceedings") the Issuer has in the Trust Deed (i) irrevocably submitted to the exclusive jurisdiction of the courts of Hong Kong and (ii) waived any objections to Proceedings in any such courts on the ground of venue or on the ground that Proceedings have been brought in an inconvenient forum.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate will contain provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Terms and Conditions set out in this Offering Circular. Terms defined in the Terms and Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions.

The Bonds will be evidenced by a Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.

Promise to Pay

Under the Global Certificate, the Issuer promises to pay such amount payable upon redemption under the Terms and Conditions in respect of the Bonds, interest (as applicable) and such other sums and additional amounts (if any) as may be payable under the Terms and Conditions to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions, save that the calculation of interest due is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions, in accordance with the Terms and Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except for 25 December and 1 January.

Exchange of Bonds represented by Global Certificate

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream, or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Paying Agent and the Registrar through which the Bonds are held (an “**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Conversion

Subject to the requirements of Euroclear and Clearstream (or any Alternative Clearing System), the Conversion Rights attaching to the Bonds in respect of which the Global Certificate is issued may be exercised at any time during the Conversion Period by the presentation thereof to or to the order of the Conversion Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Principal Agent together with the relevant Conversion Notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of the Global Certificate.

Notices

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to Bondholders may be given by delivery

of the relevant notice to Euroclear and Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions.

Transfers

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

Cancellation

On cancellation of any Bond represented by the Global Certificate by the Issuer following its redemption or conversion, or purchase by the Issuer or any of its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in Schedule A of the Global Certificate.

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each HK\$1,000,000 in principal amount of the Bonds for which the Global Certificate is issued.

Redemption at the Option of the Bondholders

The Bondholder's redemption option in Condition 8(d) (*Redemption for Delisting, Suspension of Trading or Change of Control*) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions.

Redemption at the Option of the Issuer

The option of the Issuer provided for in Conditions 8(b) (*Redemption for Taxation Reasons*) and 8(c) (*Redemption at the Option of the Issuer*) of the Terms and Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Terms and Conditions.

Bondholders' Tax Option

The option of the Bondholders not to have the Bonds redeemed as provided in Condition 8(b) of the Terms and Conditions shall be exercised by the presentation to any Paying Agent of a duly completed Bondholder's notice of exercise within the time limits set out in and containing the information required by Condition 8(b) of the Terms and Conditions.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and

(b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

USE OF PROCEEDS

The gross proceeds from this offering will be HK\$2,866,000,000.

The Issuer intends to apply the proceeds from the issue of the Bonds:

- to enhance the Issuer's domestic and international research and development capabilities and one-stop-solution provision capabilities, including: (a) upgrading and optimising the end-to-end / closed loop integrated technology platform based on quantum physics, continuing to invest in generative AI technology, continuously accumulating data to develop large models in the field of chemistry, and train these large models based on AI algorithms and automation platforms; (b) improving the capability to develop solutions in the fields of biotechnology, pharmaceuticals, and materials science (including agricultural technology, energy and new chemicals, as well as cosmetics); and (c) investing in or acquiring startups in AI-driven pharmaceuticals and AI-assisted science (including related venture capital funds), promoting ecosystem development, and investing in upstream and downstream segments of the relevant industrial chain;
- to enhance domestic and international commercialisation capabilities and expand business development and marketing teams;
- to expand domestic and international delivering and research and development capabilities through site construction (including but not limited to construction, furnishing or renovation of office buildings); and
- working capital and general corporate purposes.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the capitalisation and indebtedness of the Group as of 30 June 2025 on an actual basis and on an adjusted basis after giving effect to the issuance of the Bonds in this Offering before deducting the underwriting discounts and commissions payable by us in connection with this Offering. The table should be read in conjunction with the unaudited condensed consolidated interim financial information of the Group as of and for the six months ended 30 June 2025 incorporated by reference in this Offering Circular.

	As of 30 June 2025	
	Actual <i>RMB</i>	As adjusted <i>RMB</i>
	(Unaudited) <i>(in thousands)</i>	
Short-term borrowings		
Short-term bank borrowings	273,930	273,930
Bonds to be issued ⁽¹⁾	—	2,613,792
Total short-term borrowings	273,930	2,887,722
Long-term borrowings		
Long-term bank borrowings	7,000	7,000
Total long-term borrowings	7,000	7,000
Equity		
Share capital	280	280
Other reserves	15,483,819	15,483,819
Accumulated losses	(8,489,366)	(8,489,366)
Non-controlling interests	33,933	33,933
Total equity	7,028,666	7,028,666
Total capitalisation⁽²⁾	7,035,666	7,035,666

Notes:

(1) For illustrative purpose, the amount of the Bonds to be issued equals to gross proceeds in the aggregate principal amount of HK\$2,866,000,000 (before deducting the underwriting discounts and commissions payable by us in connection with this Offering) and is assumed to be recorded as short-term borrowings as of the Issue Date and does not take into consideration of the accounting implications under International Accounting Standard 32 “Financial Instruments: Presentation” and the related transaction costs. Translations from Hong Kong dollar amounts to RMB were made at the rate of HK\$1 to RMB0.9120, as published by the PRC State Administration of Foreign Exchange on 30 June 2025. All such translations in this Offering Circular are provided solely for investors’ convenience, and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into Hong Kong dollars, or vice versa, at any particular rate or at all.

(2) Total capitalisation equals total long-term borrowings plus total equity.

In the Issuer’s ordinary course of business, it may consider various financing opportunities and incur additional debt, including, among others, bank borrowings and domestic or offshore bonds or other securities issuances, to finance its business developments or for general corporate purposes. There has been no material adverse change in the Issuer’s capitalisation and indebtedness since 30 June 2025.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer is a quantum physics based innovative R&D platform that leverages AI enabled *in silico* tools alongside robotics enabled laboratory automation. The Issuer adopts a combination of quantum physics-based first-principles calculation, AI, high performance cloud computing and scalable and standardised robotic automation to provide drug and material science R&D solutions and services to global and domestic companies in the pharmaceutical and material science (including agritech, energy and new chemicals, and cosmetics) industries and beyond.

Established in 2015 by three postdoctoral physicists at the Massachusetts Institute of Technology (“MIT”), underpinned by its quantum physics-based first-principles calculation and AI capabilities, the Issuer seeks to transform the way drugs and new materials are designed and discovered at a pace and scale beyond traditional alternatives. In 2016, the Issuer participated in a global crystal structure prediction (“CSP”) blind test held by Pfizer and achieved accurate prediction, which led to the Issuer’s long-term strategic master partnership in technological innovation and drug R&D with Pfizer. Since then, the Issuer has gradually become a global leader in terms of technological advantages in providing computational solid-state R&D services. Its CSP capability and long-lasting cooperation with Pfizer eventually enabled the Issuer to help shorten the time needed to confirm the optimal crystalline drug form for use in the development and production of Paxlovid, the world’s first FDA-approved oral treatment for COVID-19.

As CSP and drug design and discovery share similar fundamental methodologies and problem-solving patterns where target functions are deployed to search for solutions within a vast array of possible outcomes, the Issuer naturally expanded into the drug R&D industry driven by its customers’ evolving needs. To validate the compounds generated from its drug R&D activities, the Issuer built its wet lab experimental capabilities. Along with its rapid business growth, the Issuer had increasing customer demand for compound synthesis, which is one of the most time-consuming and costly parts of the entire drug R&D process. To expedite its synthesis process and further scale its business, the Issuer further developed robotic automation in its wet lab to enable scalable, flexible, multi-project, faster and more cost-efficient experiment cycles. As it functions as a molecular search engine, the Issuer has been able to explore the applicability of novel molecular-level material design and discovery in a wide array of industries.

The Issuer has established a proprietary integrated technology platform, which incorporates high performance cloud computing-powered *in silico* tools, including quantum physics-based first-principles calculation and AI, for dry lab calculation and evaluation, and wet lab experimentation with robotic automation. Its platform is designed to improve dry lab calculations with experimental data generated by its wet lab and to enhance the efficiency of its wet lab with insights derived from dry lab calculations. Its wet lab accumulates large-scale, high-quality and consistent data to provide the foundation for the formation of its closed-loop large models, containing perception, generation, prediction, decision-making, planning and execution.

The Issuer has made significant contributions in the field of drug design and discovery by improving speed, scale, novelty and success rate since 2018. It has recently expanded its business into the field of material science (such as the design and discovery of bio-based materials, novel chemical compounds for agritech applications, new chemical surfactants and catalysts, and cosmetics products) and automation (such as automated chemical synthesis) and is focused on continuing to expand this business going forward.

The Issuer has a diverse customer base, ranging from start-ups to global biotechnology and pharmaceutical companies. With operations in both China and the U.S., the Issuer strives to take advantage of the best capabilities and resources available to it in each region to meet the evolving needs of its customers and collaborators and academic partners. The Issuer has well-established and longstanding relationships with many of the world’s leading biotechnology and pharmaceutical conglomerates, such as Pfizer, Eli Lilly, Johnson &

Johnson, UCB and Sinopec Shanghai Research Institute, many of which are its repeat customers. Since its founding, the Issuer has received substantial investments and support from world-renowned private equity and strategic investors, including HongShan, Mirae Asset, Google, Tencent, China Life Chengda and 5Y Capital.

As of 30 June 2025, the Issuer had more than 700 scientists and technologists, including engineers, biologists, medicinal chemists and programmers, with experience in leading global academic institutions and well-recognised industry participants. The Issuer also had 247 granted patents, and five R&D facilities with more than 10,000 sq. m. of lab space, as of the same date.

STRENGTHS

A globally leading quantum physics-based, AI-powered drug and material science R&D platform in terms of technological advantages

The Issuer is a pioneer in applying quantum physics-based computation, AI and automation technologies with drug R&D expertise in the design and discovery of drugs and new materials, including biomaterials, novel chemical compounds for agritech applications, new chemical surfactants and catalysts, and cosmetics and healthcare products. Leveraging its advanced technologies, innovative solutions and diverse applications across the pharmaceutical value chain, the Issuer is dedicated to the R&D of novel drug candidates, with the goal of developing potential first-in-class or best-in-class drugs.

Noteworthy achievements that the Issuer has attained since its founding in 2015 are listed below:

- In 2016, the Issuer participated in a global CSP blind test held by Pfizer and achieved accurate prediction, leading to its ten-year strategic partnership with Pfizer.
- The Issuer was awarded the 2023 Super AI Leader Award (2023 年度卓越人工智能引領者獎) by the World Artificial Intelligence Conference (世界人工智能大會) for its intelligent and automated drug discovery platform technology.
- As of 30 June 2025, the Issuer had achieved a 100% success rate in almost all of the CSP programmes it conducted for small molecules, with success rate defined as the capability of correctly predicting the crystal structures of thermodynamically stable experimental forms through a computational method for typical small molecule drugs.
- As of 30 June 2025, the Issuer's integrated technology platform had utilised over 800 million core hours of cloud computing and it had contributed to over 700 programmes including drug discovery and solid-state R&D programmes. As of 30 June 2025, the Issuer had served more than 300 biotechnology and pharmaceutical companies and research institutions globally.
- In addition to its proprietary advanced technologies, the Issuer is equipped with advanced experimental facilities to enhance its wet lab capabilities, which differentiates it from its competitors. For example, the Issuer set up a cryo-electron microscopy ("cryo-EM") facility at its Shenzhen headquarters in June 2022, which is a Nobel prize-winning imaging technique that allows scientists to observe biomolecules at sub-nanometre resolution and complete the crystal structure analysis within a week when such crystal structure is typically difficult to obtain with conventional methods, significantly improving the accuracy and efficiency of the Issuer's experiments.
- The Issuer formed strategic cooperations and collaborations with a number of the world's renowned biotechnology and pharmaceutical conglomerates, national research institutes and governmental

authorities, including Eli Lilly, Pfizer, Johnson & Johnson, Janssen Biotech and the Experimental Drug Development Centre (“**EDDC**”), Singapore’s national platform, for drug design and discovery.

- The Issuer co-developed a drug candidate for diffuse gastric cancer with Signet Therapeutics. The candidate has received FDA Orphan Drug Designation and FDA Fast Track Designation and is currently in Phase I clinical trials. This treatment has been nominated for the Prix Galien Award for Best Biotechnology Product, often hailed as the “Nobel Prize of the pharmaceutical industry.” This first-in-class candidate, also the first AI-and organoid-enabled therapy for diffuse gastric cancer to enter clinical trials worldwide, was developed using the Issuer’s AI + robotics platform for molecular discovery and design. The programme is progressing smoothly in Phase I clinical trials, with all patients in the fourth dose cohort enrolled for safety evaluation.
- The Issuer’s AI antibody R&D platform, XtalFold®, developed in 2023 and continuously upgraded, has delivered strong results across multiple applications, including antigen design, epitope mapping, affinity maturation, pH sensitivity optimization and bispecific antibody design. In rigorous benchmark tests, it demonstrated industry-leading performance in both overall success rate and modelling quality in challenging areas such as antibody antigen interfaces. XtalFold® has already been successfully licensed to multiple multinational pharmaceutical companies. The platform was recognised as one of the “Top 10 AI Innovations” at the World Artificial Intelligence Conference.
- In 2025, the Issuer launched the development of its Molecular Glue platform, focusing on the Design — Make — Test — Analyze (“**DMTA**”) closed-loop framework in new drug development. The Issuer is actively building a digital management system that integrates all modules seamlessly.
- The Issuer launched PepiX™ in 2025, a world-leading peptide and protein R&D platform that deeply integrates generative AI molecular design, automated synthesis, trillion-scale peptide library construction, and high-throughput screening. Through an iterative “AI-driven design–synthesis validation” cycle, PepiX™ delivers high efficiency, precision, and success rates in peptide and protein drug development. The platform now supports early-stage peptide drug research, functional peptide product development, and discovery of new active cosmetic ingredients, achieving notable results across multiple fields.
- In 2025, the Issuer was included in the MSCI China Index and HKEx Tech 100 Index, recognising its position as a leading hard-tech enterprise and strengthening its visibility among global institutional investors.
- The Issuer received the “Annual Corporate ESG Practice Award” from Jieman News at the 2025 ESG Pioneer 60 Ceremony, recognising its commitment to integrating ESG principles into its business strategy.

Quantum physics-based, AI-powered and robotics-driven integrated technology platform

The Issuer has established a proprietary integrated technology platform, which incorporates high performance cloud computing-powered *in silico* tools, including quantum physics-based first-principles calculation and AI, for dry lab calculation and evaluation, and wet lab experimentation with robotic automation.

Quantum Physics-based Computation

The Issuer’s quantum physics-based first-principles calculation empowered by its well-trained AI distinguishes it from traditional R&D service providers, enhances its competitiveness among market participants and enables it to provide more effective, efficient and accurate services. Unlike traditional R&D service providers and other

market participants without first-principles calculation capabilities, which generally require sufficient experimental data to train their AI models, its quantum physics-based first-principles calculation can generate scalable data assets and drug properties *ab initio*, enabling the Issuer to overcome the problem of lack of data frequently seen in the early stages of applying AI. Thus, its quantum physics-based first-principles calculation capabilities enable the Issuer to identify promising candidates faster and more accurately by generating training data *ab initio* for scalable machine learning models of binding, ADMET and solid state properties.

The Issuer believes its capability in quantum physics-based computation empowers it to tap into high-value sectors in material science that involve the fundamental understanding of properties and behaviours of the very building blocks of materials, including biomaterials, novel chemical compounds for agritech applications, new chemical surfactants and catalysts, cosmetics and healthcare products.

The Issuer's quantum physics-based computation has a wide array of inherent capabilities:

- **Faster Lead Discovery:** the ability to rapidly identify potent molecules suitable for hit-to-lead and lead optimisation efforts via solutions for virtual screening of extremely large libraries of molecules, as well as molecular design with various algorithms, including fragment growth and linkage, R-group substitution, scaffold hopping, conformation constraint and molecular hybridisation, to identify novel, highly potent molecules unavailable in library collections;
- **Accurate Property Prediction:** the ability to assess critical properties of molecules using its quantum physics-based computation with accuracy comparable to that of experimental lab assays, to facilitate optimisation of molecular properties, including potency, selectivity and bioavailability;
- **Large-scale Molecule Exploration:** the ability to computationally conceptualise and explore novel, high-quality molecules for consideration by discovery programme teams utilising computational enumeration and generative machine learning techniques that are trained and constructed to yield molecules that are synthetically feasible; and
- **Large-scale Molecule Evaluation:** the ability to scale its calculations of key molecular properties to ultra-large idea sets of over a billion molecules to enable more rapid and successful identification of high-quality candidate molecules via integration of machine learning methods with its quantum physics-based techniques, as well as large-scale utilisation of internal and cloud computing resources.

Advanced Generative AI Capability

The Issuer's AI technology is one of its core competencies that enables it to revolutionise the scientific fields of drug and material science R&D. Its integrated technology platform leverages AI to process information and generate predictions at scale. Built upon cloud computing resources, the Issuer has developed a set of over 200 AI models to conduct comprehensive evaluation of the critical properties of compounds. In addition, the Issuer has built and is continually upgrading its technical capabilities in therapeutic modalities with respect to large molecule drugs, including peptides, RNA and antibodies. The Issuer embeds AI models within its quantum physics-based computation algorithms to improve their calculation efficiency while maintaining accuracy. For particular targets and compounds, the Issuer is able to build customisable AI models as necessary to improve the performance of its *in silico* predictions. Its in-house AI modelling platform provides data feature extraction and data mining capabilities. The Issuer's valuable data assets generated from quantum physics-based computation through its drug discovery collaborations with biotechnology and pharmaceutical companies will further guide and train its AI models to improve the speed, accuracy, efficiency and success rates of its R&D cycles.

The Issuer has also implemented a generative algorithmic drug design and discovery strategy called “ProteinGPT”. Its proprietary AI-based ProteinGPT tool is designed to predict and screen protein sequences and generate protein drugs that meet specific pre-set criteria by incorporating LLM into its algorithms. The Issuer has applied its ProteinGPT strategy in the design and development of multiple large molecule drugs and new materials design and development including: (i) the generation of binder proteins given a specific target protein sequence, (ii) the generation of antibody libraries according to specific pre-set criteria and (iii) the optimisation of certain antibodies given specific improvement requirements.

Robotic Wet Lab Integrated with AI-powered Computational Tools

The Issuer’s automation technology and capability gives it a competitive advantage over other AI-powered drug discovery companies. The Issuer has recently completed the construction of its automated robotic wet lab with the aim of replacing manual experiments, featuring its cross-disciplinary automation team, clusters of robot scientists, standardisation and scalability, AI, intelligent control, digital twin and Lab-as-a-Service. The Issuer’s automated robotic wet lab complemented by AI-powered *in silico* tools can tremendously improve its operational efficiency and reduce its operating expenses. The combination of *in silico* tools and robotic wet lab experimentation brings benefits over traditional manual methods, in terms of speed, scale, novelty and success rate of drug and material science R&D. These two pillars of high-performance cloud computing-powered *in silico* tools and robotic wet lab experimentation mutually inform and reinforce each other, thus creating synergies across the Issuer’s technologies and achieving a closed-loop technology chain.

High Performance Cloud Computing Infrastructure

The Issuer’s quantum physics-based computation and AI capabilities are optimised through its self-developed cloud architecture, allowing the Issuer to benefit from the security, scalability, flexibility and efficiency of cloud computing. Its cloud architecture is designed for multi-cloud capacity and is supported by multiple leading, global public cloud service providers which are able to provide high performance cloud computing and stable computing resources to meet the Issuer’s demand. The Issuer’s integrated technology platform is able to run on major cloud service providers simultaneously and leverage their combined computing capabilities. Combining the effects of GPUs and cloud computing with its integrated quantum physics and machine learning technologies enables the Issuer to shorten timelines, decrease costs and increase the probability of success of its drug or material science R&D efforts. The Issuer is able to adjust different cloud computing clusters across geographies, scaling its computing power to hundreds of thousands of cores in minutes to accelerate the computing process and quickly deliver results to its customers or collaborators. Its powerful high performance cloud computing infrastructure enables the Issuer to deploy over a million cores in a few hours and run dozens of projects in parallel, thus augmenting its computing power to be more efficient and faster.

The Issuer has also developed a proprietary, smart cloud resources allocation system empowered by its AI and machine learning technologies, designed to automatically and dynamically allocate different computing tasks to low-cost cloud resources during off-peak hours, notably improving the Issuer’s resource utilisation, reducing its cloud computing costs and enhancing its cloud infrastructure’s reliability and flexibility. As of 30 June 2025, the Issuer’s overall cloud resources utilisation rate remained about 90% by adjusting the dynamic cluster upper limit and expanding multi-specification node pool elastic volume.

A suite of well-known customers, collaborators and reputable investors

Since its founding, the Issuer has served and collaborated with a large number of global biotechnology and pharmaceutical conglomerates and has received investments and support from world-renowned private equity and strategic investors. The Issuer believes its blue-chip shareholder base and prominent customer base is a testament to its capabilities and prospects.

The Issuer has well-established, long-term, mutually beneficial relationships with its customers and collaborators. The Issuer has been serving and collaborating with certain global biotechnology and pharmaceutical conglomerates, including Eli Lilly, Pfizer, Johnson & Johnson, UCB Pharma, CTTQ Pharma, Daewoong Pharma and Sinopec Shanghai Research Institute since its inception. Due to the Issuer's advanced R&D capabilities and distinct value proposition to its customers and collaborators, many of them are the Issuer's repeat customers and collaborators and engage it for either bundled transactions or long-term collaborations.

Building on its earlier strategic partnership with Pfizer, the Issuer continued to strengthen this collaboration during the six months ended 30 June 2025 by co-developing a next-generation, AI-driven molecular simulation platform. This effort included iterating and optimising over 200 proprietary AI models covering molecular generation, free energy perturbation ("FEP"), property prediction and crystal structure prediction. This collaboration focuses on constructing new classical mechanics-based models tailored to Pfizer's unique chemical space and deploying Pfizer's localised XFEP free energy perturbation platform, covering the entire workflow from parameter customisation to FEP calculations. The Issuer is also expanding the platform's capabilities across diverse applications, including small molecules, peptides and antibodies, to comprehensively empower Pfizer's drug discovery efforts.

Meaningful value to its customers and collaborators and synergies within its ecosystem

The Issuer provides technology-enabled, diversified services in a rapid, scalable, novel and accurate manner as compared to traditional manual methods. The Issuer believes that its advantages increase the possibility of successful drug and material science R&D, which can help improve the efficiency and profitability of the operations of its customers and collaborators. As the Issuer participates in a large number of leading global biotechnology and pharmaceutical companies' R&D programmes, it is able to share its experience and expertise as well as its proprietary advanced technology infrastructure with its customers and collaborators to empower their internal technological and product upgrades. By establishing long-term relationships with its customers and collaborators, the Issuer has gained a deep understanding of their business models and pain points to better serve their evolving R&D needs. Most of the Issuer's customers and collaborators are biotechnology and pharmaceutical companies at different stages of development, which have strong demand for its AI-powered molecular design and discovery capabilities to increase their success rate and accelerate their R&D process. The Issuer believes it is well positioned to provide its AI-powered, quantum physics-based computation, robotic wet lab capabilities, meaningful data assets as well as its domain expertise and skilled and experienced talent to help biotechnology and pharmaceutical companies streamline and expedite their drug R&D process to obtain favourable results.

For instance, the Issuer helped Pfizer expedite the development of Paxlovid, the world's first FDA-approved oral treatment for COVID-19, combining its prediction algorithm utilising quantum physics-based computation and robotic wet lab experimental validation. The Issuer's computational prediction provided powerful evidence that the crystal structure designed by Pfizer was the most stable crystal structure under room temperature, thus making it suitable for scalable production. In this way, Pfizer CMC scientists were able to rapidly make research decisions and begin the development process without delay. Pfizer and the Issuer's team worked closely and spent only six weeks to complete mutual validation and precise matching of drug CSP against the experimental results, making possible the subsequent development and production.

In addition, from time to time, the Issuer invests in certain of its collaborators that are complementary to its business or that have strong market potential. By investing in its collaborators and other companies along its industry chain, the Issuer expects to establish an ecosystem within which the Issuer and its investees can achieve synergies in a wide array of aspects, including resources, technologies, expertise and sales channels.

Visionary senior management team and talented key employees with scientific expertise

The Issuer has assembled a global team with multi-disciplinary expertise in algorithm design, physics, biology, chemistry, pharmaceutical R&D, automation and robotics and business development that collectively bring their insights and experience to its business operations. Led by its Co-founders Dr. Wen, Dr. Ma, and Dr. Lai, three physicists with postdoctoral training at MIT, the Issuer's senior management team of pharmaceutical scientists, software engineers and financial and business development veterans brings vision and extensive experience from academia and industry to the Issuer. Such experience and leadership enable the Issuer to not only advance its technologies and growth but also understand and tackle its customers' and collaborators' challenges in order to deliver enhanced performance.

In addition, the Issuer's key employees hail from well-known academic and research institutes, biotechnology and pharmaceutical companies and financial institutions. As of 30 June 2025, more than 100 employees within its global team held Ph.D. degrees in various fields, including AI, physics, chemistry, biology, medicinal chemistry, organic chemistry, physical chemistry, biochemistry and computational biology.

GROWTH STRATEGIES

With its vision of becoming the global leader in quantum physics-based, AI-powered drug and material science R&D, the Issuer intends to execute the following growth strategies:

Enhance its service capabilities and expand its service offerings in the biotechnology and pharmaceutical industries and beyond

The Issuer strives to scale its business to achieve sustainable growth and profitability, by both enhancing its existing service capabilities and expanding its service offerings in the biotechnology and pharmaceutical industries and beyond.

Small molecule drug discovery

The Issuer plans to scale its small molecule drug discovery business by providing flexible modular drug discovery solutions as its standalone solutions spanning the entire drug discovery process, covering hit identification, lead generation, lead identification and lead optimisation, and the generation of high-quality PCC molecules. By being flexible in providing modular drug discovery solutions, where the Issuer can provide one or several steps of the entire drug discovery solutions selected by its customers, the Issuer aims to capture the vast opportunities arising from each and every stage of drug discovery, in addition to solely providing end-to-end one-stop solutions that only a few established biotechnology and pharmaceutical companies can afford.

Antibody drug discovery

The Issuer has been strategically venturing into antibody drug discovery, which is one of the main sectors of the global drug R&D market. The Issuer aims to seize the tremendous market opportunities by taking advantage of AI's superiority over traditional wet lab in antibody drug discovery. In addition to the fee-for-service model in its antibody drug discovery business, the Issuer plans to focus on antibody drug discovery collaborations with biopharmaceutical companies in 2026, where it may receive upfront payment, development or commercial milestone payments, and/or royalties on a programme-by-programme basis, in recognition of its technological superiority and contribution.

Automation

The Issuer will continue to expand its intelligent robotics solutions business by building up its scalable, standardised and automated robotic wet lab to achieve greater economies of scale. To achieve this, the Issuer will deploy more, and upgrade its existing, robotic workstations and robots to carry out standardised functions

of wet labs, including compound synthesis, solid-state screening and pre-clinical studies, among others. In addition, the Issuer plans to provide standard and customised automation solutions to potential customers in the biotechnology and pharmaceutical industries and beyond, focusing on higher operational efficiency, accuracy and lower operating costs brought by automation technology.

Expanding into new modalities and industries

The Issuer will continue to leverage its technological capability, domain expertise and experience, and data assets accumulated from current businesses to explore opportunities in other therapeutic modalities, such as PROTAC, ADC, peptide and RNA, and in molecular design for material science (including agriculture, energy, cosmetics and healthcare sectors). For instance, the Issuer has established a joint venture, which launched the UpChemist.AI platform combining structural design, property screening, process optimisation, robotic wet lab experiments and its domain expertise to engage in the design, development and evaluation of new materials in a rapid, novel, accurate and cost-efficient manner. In addition, the Issuer has been providing solid-state R&D services for a leading agricultural chemical and fertiliser manufacturer in the U.S.

Advance the science underpinning its integrated technology platform

The Issuer is committed to keeping abreast of the newest and most advanced technologies to improve its accuracy, efficiency, scale of business, success rate and profitability. The Issuer plans to continually and proactively upgrade and optimise its technologies to better serve its customers and collaborators and maintain its market leadership.

Further its technological differentiation

The Issuer believes it has differentiated itself in the market technologically with a unique combination of quantum physics-based computation, AI and automation technologies. The Issuer intends to maintain its leading position through R&D to amplify and add capabilities in areas such as computation, automation solutions and digitalisation. For example, the Issuer will continue to develop and enhance its LLMs to enable its ProteinGPT to quickly generate *de novo* structures which could potentially have therapeutic or other desired properties. The Issuer expects that its updated ProteinGPT will have the potential to help predict molecular interactions, side effects and efficacy, accelerating the drug and new materials discovery process and reducing costs. As its LLMs evolve, and through their continued use, the Issuer expects that its ProteinGPT can continually improve the capacity for analysis and prediction through fine tuning and incorporating empirical data and domain expertise derived from its drug and new materials discovery programmes, providing ever-more valuable insights and solutions. The Issuer's ultimate goal is to construct a closed-loop, intelligent and automated integrated R&D platform that can be applied in various modalities, business scenarios and industries.

Leverage the synergy of data and computation

The Issuer will continue to accumulate data assets from its drug discovery solutions as well as collaboration programmes, with a view to leveraging unique data sets and AI to increase the efficiency, speed and capacity of its discovery programmes. The Issuer intends to use its accumulated data to create an accelerating iterative learning: data generation from its current business provides the basis for AI models that lead to expanded capabilities and faster data generation which further supports and enhances its technology and business. In addition, its wet lab accumulates large-scale, high-quality and consistent data from its intelligent robotics solutions to provide the foundation for the formation of its closed-loop large models, containing perception, generation, prediction, decision-making, planning and execution.

Expand application of its technologies into new modalities, business scenarios and industries

The Issuer will continue to enhance and upgrade the capabilities of its integrated technology platform, with a view to adapting its technology to more modalities, business scenarios and industries, thereby satisfying the different and evolving needs of its customers and collaborators and growing its business. For example, the Issuer has invested additional R&D efforts in its intelligent automation technology to render it adaptable to other business scenarios and industries, in addition to automated chemical synthesis. The Issuer also partnered with one of the world's largest petrochemical conglomerates in December 2023 to establish an automated chemical synthesis facility that will enable high-throughput synthesis of a specific biomaterial for the petrochemical company, with the goal of increasing its operational efficiency.

Broaden customer base and deepen relationships with customers and collaborators and enable cross-selling

The Issuer aims to broaden and grow its customer base. It believes that by continuing to serve its well-known customers and collaborators, especially the biotechnology and pharmaceutical conglomerates with global impact, the Issuer will be able to promote the awareness of its brand and industry reputation by word-of-mouth referrals, which helps it to procure new customers and collaborators effectively through peer success stories. The Issuer will also formulate bespoke marketing strategies and enhance its business development efforts to attract new customers and collaborators. In addition, the Issuer intends to collaborate with small-to-medium-sized biotechnology and pharmaceutical companies, considering their potential in producing the future first-in-class or best-in-class therapeutics. Lastly, the Issuer aims to continue to diversify its customer base by providing its XtalPi R&D Solutions to companies beyond the pharmaceutical industry. As of 30 June 2025, the Issuer's customer base had extended to a wide array of sectors, including biomaterial, new chemical surfactant and catalyst, energy, automation, agritech and cosmetics.

The Issuer will also strive to maintain and deepen the relationships with its existing customers and collaborators. The Issuer believes there are significant synergies within its businesses. As its customers and collaborators usually have evolving and differentiated needs, the Issuer plans to enable cross-selling across its different business segments and lines. For example, the Issuer's automated chemical synthesis customers may also need to employ its solid-state R&D services to evaluate the chemical properties of their new materials. By successfully implementing its cross-selling strategies within its different business segments, the Issuer believes it will be able to maximise the efficiency of its marketing efforts and improve sales and profitability.

Create more value within its ecosystem

The Issuer will endeavour to forge new collaborations with its target customers, including large cap pharmaceutical companies, biotechnology companies of all sizes, and non-profit and government organisations dedicated to drug and material science R&D. Incubating and investing into certain of its collaborators, in particular those that the Issuer considers to have potential first-in-class or best-in-class pipelines or cutting-edge technologies, will continue to be one of its growth strategies. Furthermore, the Issuer will constantly advance its technology based on the data assets, experience and feedback it receives from its collaboration programmes, which in turn will improve its competitiveness. The Issuer will continue to enhance its mutually beneficial ecosystem by sharing its integrated technology platform, domain expertise and operational capability with its collaborators and capitalise on their success.

Expand its global footprint

To successfully execute its global expansion strategy, the Issuer has established an innovative demo lab in Boston, Massachusetts to showcase its R&D capability and expects to deliver its solutions and services locally in the U.S. market in the future. In addition, the Issuer has launched a full-scale robotic lab in Somerville, Massachusetts (the “**Somerville Robotic Lab**”) to serve its global customers and broaden its existing

collaborations with its business partners in North America. The Somerville Robotic Lab is serving as the Issuer's U.S. R&D hub and work closely with research institutions, including some of the best universities in Boston, Massachusetts. The Issuer plans to scale up the Somerville Robotic Lab over the next three years to approximately 500 square metres ("sq.m.") to enhance its presence in North America. The Issuer also built up business development and marketing teams in key markets, such as the U.S. and Europe, to acquire new customers and collaborators. The Issuer will also leverage its well-established long-term relationships with certain global leading biotechnology and pharmaceutical conglomerates to reach out to prospective customers, which may be short of adequate technologies and expertise, either through word-of-mouth referrals or introductions.

As an innovative technology company, the Issuer aims to continue to leverage its geographic advantages to benefit from the opportunities brought by the efforts of Shenzhen and Hong Kong in promoting the biotechnology and pharmaceutical industries. In addition, as Hong Kong is striving to promote technological innovation, the Issuer plans to expand its presence in Hong Kong by establishing an AI-powered dry lab and automated robotic wet lab as well as strategic alliances with local research institutions with a view to capturing a larger market share and obtaining academic and economic support to grow its business. In particular, the Issuer is amongst the first batch of participants in the Hong Kong government's Research, Academic and Industry Sectors One-plus Scheme ("RAISe+") and expects to increase its investment and efforts in R&D in Hong Kong to translate advanced biomedical instrumentation into real-world healthcare solutions that benefit people in Hong Kong and around the world.

Furthermore, to protect itself from the potential intensified international trade tensions, the Issuer has expanded its operations in Southeast Asia and the Middle East. In particular, as of 30 June 2025, the Issuer had several ongoing programmes with the national research institutions in Singapore for its drug discovery solutions, and was finalising establishing library synthesis capability using its automation technology for one of such academic institutions. The Issuer will continue to explore more business opportunities in Singapore in light of its favourable governmental support to the AI industry.

Pursue selective acquisitions, joint ventures, and strategic alliance opportunities

To further grow its business operations, the Issuer may seek potential acquisitions, joint ventures and strategic alliances along the value chains of pharmaceutical, automation and material science industries with a view to broadening its integrated service offerings and complementing or upgrading its technologies. In particular, the Issuer will primarily focus on potential acquisition opportunities of suitable targets that can generate synergies with it or that have innovative technologies that are amenable and complementary to its integrated technology platform, from which it expects to broaden its R&D capabilities and expertise.

For instance, in August 2025, the Issuer signed a Memorandum of Understanding with Dong-A ST, a leading Korean pharmaceutical company, to jointly develop therapeutics for immunological and inflammatory diseases. This collaboration leverages the Issuer's AI-driven drug discovery platform, which integrates quantum physics, artificial intelligence and automated robotic experiments, alongside Dong-A ST's expertise in immunology and small molecule drug development. The partnership aims to identify novel targets and discover first-in-class or best-in-class drug candidates, accelerating the development of next-generation treatments and expanding into emerging modalities such as targeted protein degradation, biologics and antibody-drug conjugates.

BUSINESS AND REVENUE MODEL

The Issuer's business primarily comprises (i) drug discovery solutions providing modular solutions spanning the full spectrum of the drug discovery and research process and (ii) intelligent robotics solutions consisting primarily of solid-state R&D services and automated chemical synthesis services. The Issuer has diverse revenue streams, including (i) transaction-based upfront payments, milestone payments, contingent payments and/or royalties from its drug discovery collaborations, (ii) transaction-based service fees from its drug

discovery solutions and solid-state R&D services and (iii) subscription-based service fees from its automated chemical synthesis services.

The Issuer's drug discovery solutions focus on identifying and developing molecules that exhibit pharmaceutically active functions on particular disease-related targets. Its drug discovery solutions span the whole drug discovery and research process, from target validation, hit identification, lead generation, lead optimisation to PCC nomination, covering various modalities, including small molecules, antibodies, peptides, ADC and PROTAC. The Issuer also collaborates with certain drug developers ("collaborators") to jointly work on various therapeutic targets ("collaboration programmes"), from which it expects to receive royalty, milestone or contingent payments if such collaboration programmes reach milestones or events specified in the respective contracts, such as successful commercialisation in particular regions.

The Issuer's intelligent robotics solutions focus on AI- and automation-enabled novel drug and materials discovery and research. In particular, its solid-state R&D services focus on analysing the physical and chemical properties of solid materials, which are key to drug and material science R&D. The Issuer established its automated chemical synthesis services in 2021 to accelerate the chemical synthesis process, which is time-consuming and costly. The Issuer is also leveraging its robotic automation capability and expertise to scale its intelligent robotics solutions business by providing standard or customised automation solutions to customers in the pharmaceutical and material science industries and beyond.

As its business has evolved, the Issuer has launched its XtalPi R&D Solutions programme to provide R&D solutions to other high-value industries, such as material science (including agritech, energy and new chemicals, and cosmetics), leveraging its proprietary in-house technologies and expertise derived from its drug discovery and intelligent automation businesses.

The Issuer aims to enable synergies across its business lines and technologies to better serve the different and evolving R&D needs of, and cross sell its diversified service offerings to, its customers and collaborators in a wide array of industries.

Mutually Informing and Reinforcing *In Silico* Tools and Wet Lab

Fundamentally, quantum physics-based computation methods form the core of the Issuer's technology platform. Quantum physics-based first-principles calculation enables the Issuer to model drug properties *ab initio*, which helps it to discover and design promising drug candidates promptly without having to first accumulate empirical data. The data the Issuer generates from its quantum physics-based computation in turn help it to train its AI models to predict critical properties at various levels of complexity, from atomic, molecular, crystal, biological target, to *in vitro* and *in vivo*. Such capabilities allow the Issuer to identify hits, leads and eventually candidate compounds and crystal forms suitable for drug R&D. The Issuer considers that the fundamental approaches and technologies underlying its quantum physics-based computation capability can equally be applied in the field of material science R&D, naturally extending its services to cover material science R&D.

The Issuer integrates its AI capabilities into many of its core technologies, including automated chemical synthesis, crystal structure screening, and its multiple-modality drug discovery platforms covering small molecule, peptide, ADC, PROTAC and antibody, to optimise the efficiency and performance of these technologies. Unlike some of its competitors whose primary technology is either quantum physics-based computation or AI, the Issuer combines its quantum physics-based first-principles calculation with its AI technologies. By combining quantum physics-based computation with AI, the Issuer is able to process data rapidly at scale and compute molecular properties that are beyond existing industry capabilities and data.

Moreover, the Issuer has developed its proprietary ProteinGPT, an AI-based biomedical generative tool, designed to predict and screen protein sequences and generate protein drug candidates that meet specific pre-

set criteria by incorporating LLM into its algorithms. The Issuer uses ProteinGPT as a general strategy in the discovery and research of multiple large molecule drugs and new materials including: (i) generation of binder proteins based on a specific target protein sequence, (ii) generation of antibody libraries according to specific pre-set criteria and (iii) optimisation of certain existing antibodies based on specific improvement requirements.

The Issuer's wet lab with robotic automation can validate the predictions generated by its *in silico* tools, while the data produced at scale from its wet lab experimentation function as the feedback to further train its *in silico* tools, creating a mutually reinforcing cycle of learning. The improved *in silico* tools then produce better insights into the design and performance of wet lab experimentation. Therefore, the iteration of *in silico* and wet lab experimentation creates a virtuous cycle where data generation, learning and confirmation enhance each other and continually strengthen its integrated technology platform with real world experimental data on molecules and chemical synthesis.

TECHNOLOGIES AND CLOSED-LOOP INTEGRATED TECHNOLOGY PLATFORM

The Issuer's technology platform is designed to efficiently search chemical and material space for the rapid identification and analysis of lead molecules and materials with desired functional properties for applications in various areas, including drug and material science R&D, as well as to provide insights and assistance to its customers and collaborators in their drug and new materials discovery processes.

The Issuer's technology platform integrates (i) high performance cloud computing-powered *in silico* tools, including quantum physics-based computation and AI, for dry lab calculation and evaluation, and (ii) wet lab experimentation with robotic automation, backed up by its domain expertise, to develop R&D solutions with the potential to accelerate the process, expand the scale, address challenging targets, and improve success rate over traditional alternatives. The combination of *in silico* tools and robotic wet lab experimentation brings benefits over the traditional manual methods, where its dry lab and wet lab are informed and reinforced by each other creating a closed-loop technology platform. In addition to constantly improving its *in silico* tools by fine-tuning its algorithms and training its AI with data accumulated in its wet lab, the Issuer has recently enhanced its wet lab capabilities with the aim of replacing manual experiments with robotic automation, to the largest extent applicable, to improve the speed, scale and efficiency of its wet lab experimentation. Furthermore, the Issuer has successfully upgraded its proprietary AI-based ProteinGPT tool, designed to predict protein sequences and generate protein drugs that meet specific pre-set criteria, by incorporating LLM into its algorithms. The Issuer manages the data generated from its operations by following a data lake design, which enables it to visualise the data and quickly aggregate them for further analyses and AI modelling.

The Issuer's integrated technology platform allows it to conduct discovery of novel drugs and new materials at a pace and scale beyond those with the traditional approaches. As of 30 June 2025, its integrated technology platform had utilised over 800 million core hours of cloud computing and it had contributed to over 700 programmes including drug discovery and solid-state R&D programmes.

As of 30 June 2025, the Issuer had built a dry lab and wet lab R&D team in China consisting of over 700 experienced large and small molecule scientists and engineers.

Quantum Physics-based Computation Capabilities

The properties and behaviour of molecules, including those that might be useful for drugs and new materials design and discovery, are intrinsically determined by quantum physics. Therefore, quantum physics-based approaches can predict and simulate the structure, properties, and behaviour (or reactivity) of these molecules more accurately, and provide the mechanistic insights at the electronic and atomic level, thereby harnessing human problems to generate new hypotheses and ideas for further novel drug and material science R&D.

Powered by its self-developed first-principles-based methods and applications, the Issuer is able to efficiently and accurately perform energy and structure calculations, high-throughput screening, comprehensive conformational analyses, conformational space sampling, thermodynamic property prediction and structural or parameter optimisation. Such capabilities allow it to identify hits, leads and eventually candidate compounds and crystal forms suitable for further drug and material science R&D.

Force Field

Molecular mechanics force fields are empirical models, which serve as an essential component for many structure-based drug and new materials design predictions. Force fields provide a description of intramolecular and intermolecular interactions by parameterising a functional form to characterise the potential energy of molecules. The Issuer has developed a proprietary next-generation general molecular force field, XFF, for global optimisation of design parameters. The XFF was jointly developed by Pfizer and the Issuer from May 2018 to March 2021, and it continued to advance the development of the XFF independently onwards. The Issuer owns the XFF parameters developed with publicly available data and all the XFF tools, such as molecular simulation method and bespoke fitting workflow, while Pfizer owns the XFF parameters developed with its proprietary molecular structures.

Binding Affinity and Pose Prediction

Free energy perturbation (“FEP”) is the approach to predict the binding strength between the candidate molecules and their biological target. FEP allows calculation of the ligand-binding free energies by constructing a series of non-physical intermediate states connecting the bound and unbound states. In addition, FEP allows for the calculation of relative binding free energies between different ligands.

The Issuer has implemented the FEP method on its cloud computing platform to develop its proprietary XFEP, a binding affinity prediction platform, to evaluate the binding affinity between candidate molecules and their biological target at scale, from which false positives can be filtered out before conducting wet lab experiments. The Issuer’s XFEP is based on high accuracy and high-throughput affinity prediction combined with AI model, incorporating enhanced sampling algorithms, statistical analysis methods, and its proprietary XFF. In addition, the Issuer estimates that its XFEP has lowered the cost of traditional FEP by approximately 75% through algorithms fine-tuning and optimisation. By developing novel algorithms, its XFEP can be applied in various application scenarios, such as the prediction of irreversible binding, structural diversity, and protein mutation.

The Issuer has also self-developed an in-house binding pose prediction platform, Xpose, which is able to combine the advantages of different sampling and evaluation algorithms to predict the binding pose of small molecule target-ligand more accurately. Molecules and their targets are like keys and locks. A binding pose is the correct structure and orientation that a molecule binds to its drug target. A correct binding pose can help chemists to design molecules that better match the target, enabling molecules to have a better efficacy to “unlock” the targets while avoiding to “unlock” other targets. The interactions and the binding poses between molecules and targets are governed by free energy, and its Xpose can simulate the free energy of the drug or target complexes to predict the correct binding pose.

Xpose can be used to build accurate SAR and structure-based affinity evaluation, using FEP to design and evaluate molecules. It bridges the gap between the predicted target structure and the real application in different drug discovery scenarios. The Issuer’s Xpose has significantly higher success rates and a higher prediction accuracy of approximately 56% for high-accuracy predictions (≤ 1.0 angstrom) of binding pose for small molecules, compared to the state-of-the-art commercial package of approximately 30%.

The Issuer’s XFF, XFEP and Xpose can be customised to be applied in different application scenarios and provide efficient and accurate exploration and exploitation of critical chemical space of novel drugs and materials.

Crystal Structure Prediction

Conducting solid-state studies of drugs and materials to obtain their stable crystal forms is a critical step for drug and material science R&D and to extend their life cycle through patent protection. The Issuer offers a combination of quantum physics-based computation and AI-powered CSP services that help transform the CSP process. The Issuer's CSP service is able to identify the most stable crystal forms and provide thermodynamic stability ranking of different structures across a range of temperatures (0K–400K) efficiently.

The Issuer has a self-developed AI-powered CSP platform, XtalCSP, which is equipped with a global searching algorithm and covers all theoretical stable forms. The Issuer's XtalCSP is experiment-independent, and can cross-validate the experiments and de-risk the polymorphic system. By leveraging its XtalCSP, the Issuer can conduct thermodynamic stability evaluations to identify crystal forms that are relatively stable among various crystal forms at different temperatures. The Issuer's XtalCSP can also recommend solvents to enable higher propensity for the crystallisation of the target polymorph, and validate more than 70 experimental forms per year. The Issuer is able to provide converged energy landscapes in just four to eight weeks, and deliver the final report to its customers within additional two weeks.

In addition, by leveraging its integrated technology platform, the Issuer is able to deploy cloud computing resources, screen crystal structures, and determine their stabilities with accuracy and efficiency at a faster speed compared to that of traditional methods. Instead of the two months typically required by traditional experimental methods, the Issuer is able to deliver the CSP results for a common-case small molecule within two to three weeks. The Issuer's technologies are also applicable to more complex molecular systems, such as highly flexible molecules with more than 15 rotatable bonds, complex molecules with isomerisation of multiple flexible rings, as well as multi-component crystals such as salts, co-crystals, hydrates, and solvates, given that the CSP technology has been shown to be capable of predicting certain multi-component crystals in a previous CSP blind test.

The CSP results are able to enhance its experimental screening efforts and can potentially reduce unnecessary experimental trials, which may lead to selection of the optimal medicinal solid form. The selection of the optimal medicinal solid form may increase the quality and success rate of later-stage drug development.

Advanced Generative AI Capabilities

Overview

The Issuer's integrated technology platform utilises AI to process information and generate predictions at scale. Built upon cloud computing resources, the Issuer has constructed a set of over 200 AI models to conduct comprehensive evaluation of the critical properties of compounds. The Issuer also embeds AI models within the quantum physics-based computation algorithms to improve their calculation efficiency while maintaining accuracy. For particular targets and compounds, the Issuer is able to build customisable AI models as necessary to improve the performance of its *in silico* predictions.

The Issuer has eight self-developed basic AI generative models, including the pocket-based generation model for first-in-class drug discovery, the scaffold hopping model for best-in-class or fast-follower drug discovery or SAR studies, and the goal-directed generation model for property optimisation, among others, which can be customised with specific parameters to be applied in different scenarios to cater to customers' diversified and evolving needs. Combined with physical models, the Issuer's AI system can simultaneously improve the accuracy and efficiency in scenario evaluations of high-throughput data analysis, while the accumulated models and data can in turn optimise the design and discovery of molecular structures. The Issuer's AI system allows it to utilise a collection of these AI models for R&D, such as activity and predictions of ADMET properties, new drug and materials scaffold design, new binding pocket discovery, and crystallisation propensity, among

others, and provides access to libraries containing tens of billions of molecules to facilitate development of new models.

In particular, the Issuer utilises generative AI for small molecule design, protein design, and other computational molecular design. The algorithm-generated molecules are able to not only reproduce the ones designed by domain experts, but also inspire domain experts with new ideas for novel molecules generated. One of the Issuer's major generative AI models is its ProteinGPT, which is capable of autonomous decision making in the R&D process. The Issuer is now exploring its potential in drug discovery, chemical synthesis, and robotic operations.

Small Molecule Design

The Issuer has developed a proprietary scenario-driven molecular design and evaluation platform which can be applied in different stages of drug and new materials discovery. This small molecule design platform is capable of generating up to tens of millions of molecules in a day or two, enabling the Issuer to explore a wider chemical space of novel drugs and materials for the novelty, diversity and innovation of molecules. The Issuer aims to leverage this platform to address the challenges of molecular design by providing a customisable and efficient solution for various application scenarios, such as first-in-class and best-in-class scenarios. The Issuer's small molecule design platform integrates three functionality modules, including customised molecular generation, *in silico* multiple parameter evaluation, and expert feedback, which are closely related to each other.

The Issuer's small molecule design platform can be customised for a given molecular design scenario by flexible combinations of: (i) two types of generation models, developed based on rule-library or generative algorithms; (ii) various AI learning paradigms, such as pre-training, transfer learning, reinforcement learning and active learning; (iii) different input information and compound representations, such as 1D SMILES, 2D graph, 3D shape, binding site and pharmacophore; or (iv) multiple *in silico* prediction models for *in vitro* property screening. Supported by more than 200 AI models, it can be used for goal-directed generation, and screening and evaluation of small molecules. Therefore, the Issuer can utilise its small molecule design platform to efficiently obtain small molecules with pre-defined objective functions.

Protein Design

A generative pre-trained transformer (“**GPT**”) is a family of pre-trained AI language models generally trained on a large amount of text data to generate human-like text. GPT is developed based on an AI paradigm called large language model (“**LLM**”), which is among the most successful applications of the transformer models. LLM is a deep learning algorithm that can recognise, summarise, translate, predict and generate text and other content based on knowledge gained from massive datasets.

The Issuer has applied LLM to its self-developed ProteinGPT, which is a generative algorithmic drug and new materials design strategy. The Issuer's proprietary AI-based ProteinGPT is designed to generate drugs and new materials that meet specific criteria. The Issuer applies its ProteinGPT solutions in its antibody drug discovery business, which is capable of: (i) generation of binder proteins given a specific target protein sequence, (ii) generation of antibody libraries according to specific pre-set criteria, and (iii) optimisation of certain antibodies given specific improvement requirements.

Features of the Issuer's LLMs

LLMs use deep learning techniques and large data sets to understand, summarise, generate, and predict new content. By optimising algorithmic models and integrated multimodal data, LLMs increase efficiency and success rates in different key stages of drug and material science R&D. Their generative and reasoning capabilities can optimise drug and material science R&D workflow by combining expertise and automated wet lab, forming a flywheel effect. This integration of AI and automation improves the success rate of drug and

material science R&D, reduce R&D costs, and shorten the R&D cycle time, bringing more value to customers and patients.

LLM-empowered automated drug and material science R&D maps the six traditional key processes of the DMTA cycle, including research and analysis, molecular design, molecular evaluation, molecule selection, experimental design and execution, and data analysis into a closed loop of perception, generation, prediction, decision-making, experiment planning and execution.

Perception

LLMs can generate drug and material science R&D strategies for different scenarios based on the input of experimental, literature and patent data. The Issuer has developed various LLM systems for different scenarios, such as its literature LLM system and medicinal chemistry LLM system. The Issuer's literature LLM system can help researchers efficiently extract key information from massive biomedical literature, and its medicinal chemistry LLM system can construct structured knowledge maps by correlating text, diagrams, tables and experimental results from a large amount of literature, giving researchers insights to formulate drug-forming reconfiguration strategies and improve the success rate of drug pipelines. In addition, the Issuer's literature LLM system provides smart optimisation suggestions for drug and new materials screening and synthesis processes, reducing the cost and risk of trial-and-error and shortening the R&D cycle time. As of 30 June 2025, the Issuer was in the process of upgrading its literature LLM system to process literature, graphics, tables, formulas and structures by developing and incorporating algorithms, such as the chemical structure recognition algorithm and the table recognition algorithm into its literature LLM system.

In addition, the Issuer also utilises its AI and automation capabilities in target discovery and validation. Target discovery is the first step in drug and new materials R&D. The Issuer discovers and validate target exploitability through multi-dimensional orthogonal validation. The Issuer can also build 3D virtual models to predict and evaluate binding sites and obtain potential lead compounds through virtual screening, leveraging its AI algorithms, quantum physics-based simulation and wet lab capabilities. This enables the Issuer's LLMs to analyse a combination of large amounts of medical literature and experimental data to provide researchers with critical information that may have been overlooked. As a result, its LLMs can enhance the understanding of the bioscience and material science fields, help scientists to explore potential therapeutic or other targets, and improve the efficiency and success rate of drug and new materials discovery. During this process, the Issuer accumulates data and constructs its own database to constantly improve its AI algorithms and optimise the standardisation process.

Generation

The Issuer's LLMs can learn the probability distribution from training sets, extract representative features, generate a low-dimensional continuous vector representation and ultimately generate a new molecule or biological entity by sampling from the learned data distribution. In addition, the Issuer's LLMs can be combined with evolutionary algorithms or reinforcement learning to optimise a specific target or reward shaping for generated molecules by providing the AI model with a starting molecule and an optimisation goal. This allows the AI model to optimise the starting molecule to generate molecules with better properties.

Prediction and decision-making

To enable molecular assessment and recommendation, the Issuer adopts a combination of complementary physical and AI models to build the comprehensive molecular property assessment and recommendation process and form a closed-loop process of expert strategy, prediction model, data validation and expert feedback. Using its AI models, it can predict the ADMET properties of small molecules, as well as the expression, solubility and aggregation properties of antibodies more accurately and efficiently.

Experimental planning and execution

The Issuer's LLMs analyse literature, patents and in-house data to generate relevant procedures, conditions and operations for chemical synthesis, translating them into executable instructions for automated robots. The Issuer's automation technique speed ups the time-consuming experimental process and overall drug discovery process. See “—Technologies and Closed-loop Integrated Technology Platform—Automated Robotic Wet Lab Infrastructure” for more details regarding the Issuer's automation capability.

The Application of the Issuer's LLMs

The Issuer has adopted two different practice paradigms in applying its LLMs, including the development of various AI systems designed specifically for different scenarios and the development of a central AI system for different tools.

The Issuer's ProteinGPT has been trained with approximately 280 million pieces of unlabelled protein sequence data as well as a few billion published antibody sequence data and its internally accumulated antibody NGS data. In this closed-loop process, the Issuer can quickly generate, screen and verify a large amount of high-quality proprietary data that can be used to train its AI models.

During the six months ended 30 June 2025, the Issuer advanced its patent and literature data extraction capabilities through its PatSight platform, developed in collaboration with the IDEA Research Institute. PatSight applies large language models and deep neural network technologies to extract structured data from patents and scientific literature, including molecular structures, activities, pharmacological effects, and reactions. The platform achieved an accuracy rate of up to 97% in data extraction and secured multiple procurement and collaboration agreements with domestic and multinational pharmaceutical companies.

Structure Prediction

The Issuer has developed a proprietary antigen-antibody complex structure prediction algorithm, XtalFold®, designed to improve prediction accuracy and reliability.

The XtalFold® begins with a multi-sequence alignment (“MSA”) that considers the evolutionary relationships between proteins and changes in individual amino acids. The alignment and pairings are iteratively passed through a machine learning algorithm. This algorithm identifies the best pair interactions and alignments and passes the information to a third portion of the pipeline that generates a structure. The last two parts are repeated several times, generating the final predicted structure. Given its successful record in antigen-antibody complex prediction, one of the most technically challenging scenarios, the Issuer believes its XtalFold® has significant potential in predicting protein-protein and protein-peptide complex structures, as well as other related scenarios. The Issuer expects that its XtalFold® will play a vital role in various antibody-related applications, including antibody engineering, epitope identification, functional elucidation, and *de novo* design.

The Issuer's multi- and inter-disciplinary, AI-powered drug R&D technologies and platforms have a wide array of applications in different modalities, including small molecules, antibodies, ADC, PROTAC, and peptides and proteins. This enables the Issuer to cover diversified sectors in the biotechnology and pharmaceutical industries and lowers the technological barrier for it to enter into untapped sectors.

Automated Robotic Wet Lab Infrastructure

Overview

The Issuer's automated robotic wet lab, supporting its intelligent robotics solutions (including solid-state R&D services and automated chemical synthesis services), is one of its competitive strengths that distinguishes it from its competitors. Unlike its competitors, the Issuer is capable of developing its proprietary hardware and

software for its operating systems in the wet lab. In addition, the Issuer integrates its AI technologies in its operating systems, enabling its wet lab to cover and automate approximately 80% of operational steps typically involved in traditional experimental process, such as amide coupling, reductive amination and substitution reactions, but currently does not support gas-involved reactions and cryogenic reactions. As a critical part of its integrated technology platform, wet lab experimentation not only synthesises chemical compounds, but also supplements its *in silico* tools in the operative workflow by assessing the prediction results and generates real-world experimental data to train and improve its *in silico* tools. In the meantime, the Issuer's wet lab accumulates large-scale, high-quality and consistent data from its automated robotic wet lab experiments to provide the foundation for the formation of its closed-loop large models, containing perception, generation, prediction, decision-making, planning and execution. The Issuer's goal is to encode and automate to transform every stage of wet lab experiments, by combining AI-driven *in silico* tools with intelligent robotics to replace labour-intensive traditional manual methods. Compared to a traditional wet lab, the Issuer's automated robotic wet lab possesses multiple advantages, such as higher throughput, accelerated wet lab processes, minimised human error, reduced operating cost, increased process stability and higher quality data, which are critical for the iterative training of AI models, drug and materials screening and process optimisation. The Issuer uses liquid chromatography-mass spectrometry instruments ("LC-MS"), which is a powerful analytical technique used for separation, identification and quantification of compounds as well as to elucidate the structure and chemical properties of different molecules to control the quality of the experiments conducted in its automated robotic wet lab. In addition, the Issuer employs an automated monitoring system to monitor its systems in real time and has self-developed an alert system to caution it in a timely manner of any disruptions detected so that the Issuer can react promptly to resolve such disruptions.

Experimental Centres and Cross-disciplinary Team

As of 30 June 2025, the Issuer had three wet lab experimental centres with more than 200 robotic workstations and robots. The Issuer's experimental centre in Shenzhen, China consists of a chemical compound synthesis lab, a biology lab, an analysis and testing lab and a crystallisation lab. In addition, the Issuer has another automated robotic experimental centre in Shanghai.

The Issuer has a cross-disciplinary automation team with an academic background in automation, engineering, chemistry and computer science, who can help assess and supplement the prediction results derived from its algorithms and AI models by synthesising the selected molecules and conducting targeted experiments, including toxicity studies. The Issuer's automation team plays a critical role in designing experiments and setting specific parameters to suit the particular needs of different research programmes. The Issuer aims to further scale its automation operations by providing scalable and standardised wet lab services. The Issuer also plans to customise its automated robotic wet lab to apply in various other scenarios, such as chemical engineering, material science R&D and inspection and testing.

Differentiated Innovation Model

The Issuer's automated robotic wet lab is differentiated due to the combination of its scenario-driven approach, quick reaction to market, and cutting-edge technologies. Firstly, the wet lab is equipped with self-designed standard software, hardware, and technologies. Secondly, the wet lab incorporates various building blocks and modular applications, enabling the Issuer to provide customised automation solutions applicable across diverse scenarios in the biotechnology and pharmaceutical industries and beyond, catering to the diversified and evolving needs of its customers and collaborators. Thirdly, the Issuer possesses strong business acumen and reacts quickly to market trends. It is expanding the applicability of its automated robotic wet lab to other industries, such as material science and energy, in response to the increasing demand for high-throughput, accelerated processes, and high experimental quality in these sectors. The Issuer also capitalises on cutting-edge technologies to further grow its business and enhance its reputation. The Issuer has invested and will

continue to invest significantly in adopting powerful advanced technologies, such as digitalisation and digital twins, within its automated robotic wet lab to enhance performance.

Core Technologies in the Issuer's Wet Lab

The Issuer's automated robotic wet lab is able to perform high-throughput, flexible R&D, leveraging its cutting-edge technologies, including standardisation and scalability, AI, intelligent control, digital twin, and Lab-as-a-Service ("Laas").

Standardisation and Scalability

The Issuer is endeavouring to standardise and automate every step of the drug and material science R&D process. The Issuer has implemented standardised experimental processes to optimise and accelerate wet lab operations and enhance the consistency of experimental results, while automation enables its wet lab to operate perpetually without downtime and with minimal human intervention, thereby achieving higher throughput, data quality, and efficiency. Consequently, the Issuer has standardised and automated the time-consuming "make" phase to shorten the iteration time of the DMTA cycle.

The Issuer also utilises standardisation, automation and swarm robotics to scale its wet lab operations. It has more than 4,500 sq.m. of lab space in Shenzhen and Shanghai dedicated for its robotic workstations and plans to expand the capacity of its automated robotic wet lab. The Issuer's wet lab experiment centres in Shenzhen and Shanghai presently have more than 200 robotic workstations and robots and the Issuer expects to further scale its robotic workstations. Based on the Issuer's internal calculation, its automated robotic wet lab is capable of executing up to 1,500 experiments per day.

AI

The Issuer combines AI-driven analytics with automation to enhance the efficiency and predictability of its automated robotic wet lab. The Issuer applies various algorithms and AI models to streamline and optimise the DMTA cycle to make wet lab experiments faster and more predictable. The Issuer uses machine learning algorithms to understand drug designers' intent and decision-making process and extract, organise and formalise this domain knowledge and expertise to enable more automated design workflows. The Issuer has also developed machine learning and AI methods to replace manual data analysis and quality assurance. Similarly, the Issuer's vast image data sets have allowed it to develop AI-based machine vision tools for real-time processing, enabling screening at much greater speed, volume and resolution. In addition, the Issuer's robotic workstations record experimental data and work as data generators, which can in turn be used to fine-tune the Issuer's parameter algorithms and train its AI models, and continuously enhance its capability to predict and authenticate novel drug candidates and new materials in a closed loop. Thus, the Issuer's computational power and AI now make it possible to see relationships within big data sets that could otherwise not be seen.

Intelligent Control

The Issuer's intelligent control system integrates various instruments and functions, including lab information management system ("LIMS"), resource scheduling system and control system, through which the Issuer can manage various equipment and experimental tasks in the wet lab to achieve efficient experimental operations and data collection, and maximise the resource utilisation rate of its wet lab. The Issuer's LIMS can automatically standardise the collection, storage, version control and analyses of raw and processed experimental data, and instantly returns essential information that would otherwise take days of work. The Issuer's resource scheduling system can autonomously allocate tasks to different workstations and automated guided vehicle ("AGV") trolleys, according to the number and priority level of tasks. It can also intelligently monitor and trace the entire experimental process and analyse the experimental data for result processing. The Issuer's control system is designed with accurate parameters to minimise the errors and inconsistency of its

devices and equipment in executing experiments. In addition, its automated robotic wet lab can be accessed remotely. It can receive experiment instructions or testing orders and instructions from the cloud and execute such instructions locally, while synchronising the experimental results in real time to its researchers or customers, facilitating timely follow-up studies.

Digital Twin

The Issuer integrates digital twin in its automated robotic wet lab technology for rapid plan, design and optimisation of its wet lab experiments. By simulating the entire experimental process, the Issuer is able to identify potential flaws in the design and determine the optimal experimental process, allowing for real-time adjustment or redesign. The Issuer's digital twin capability also enables it to customise its automated robotic wet lab solutions to engage in experiments in different scenarios and for customers in different industries, without having to set up a physical wet lab for each engagement before operations. Thus, digital twins can augment the Issuer's wet lab design capability, avoid upfront physical simulations, reduce operational costs and improve experimental quality.

Lab-as-a-Service (“LaaS”)

The Issuer's automated robotic wet lab is designed to serve as a customer-focused Lab-as-a-Service offering, and it can leverage the impact of such online platform to achieve exponential growth of its intelligent robotics solutions.

In particular, the Issuer's wet lab can be accessed remotely, i.e. receive experiment instructions or testing orders and instructions online and execute such instructions locally on its “virtual” wet lab, with real experiments performed on real equipment, generating real-world data. The Issuer's customers or collaborators can submit the design route and basic reaction conditions of their target molecules remotely to its wet lab. Upon receiving the online orders and instructions, the Issuer's engineers and technicians prepare the required materials in-house and its intelligent control system assigns tasks in a coordinated manner after the required experiment materials are ready.

The Issuer's automated robotic wet lab can be customised to be applied in diverse scenarios and industries, including pharmaceutical and material science (such as agritech, energy, cosmetics, and healthcare). The Issuer has been utilising its automated robotic wet lab to provide lab automation solutions, including high-throughput chemical synthesis and high-throughput solid-state R&D. Relying on its robotic workstation, the Issuer's chemical synthesis services adopt a “human-machine” model where the synthesis is conducted by robots, and supervised and validated by the Issuer's technicians. For high-throughput parallel reactions, the Issuer's automated robotic wet lab has an excellent track record in scenarios such as compound library synthesis, catalyst screening and methodological studies and optimisation of reaction conditions. For multi-step automated chemical synthesis, the Issuer's automated robotic wet lab is capable of screening and optimisation of hit and lead compounds, multiple scaffold structure exploration and SAR experiments, as well as conducting multi-conditional reaction screening in parallel.

INTEGRATED PLATFORM-ENABLED BUSINESS

The Issuer started as a technology innovator specialising in *in silico* solid-state R&D studies with a primary focus on CSP, which provides valuable insights for various aspects of drug R&D that span from the pre-clinical stage to commercialisation, such as CMC, formulation development and patent protection. CSP is derived from the accurate calculation of weak, intermolecular forces, which is a known challenge in the industry. Leveraging its quantum physics-based computation and AI capabilities, the Issuer has been expanding its business to cover drug design and discovery, which focuses on the initial stages of drug R&D to establish integrated pharmaceutical R&D capabilities. The expansion into drug discovery is natural, because both CSP and drug discovery share similar problem-solving patterns where target functions are deployed to search for solutions

within a vast array of possible outcomes. In addition, the method of calculating intermolecular forces, which is the focal point of CSP, is transferable to the process of calculating intermolecular interactions, which is the foundation of predicting the drug-target interactions. As drug discovery involves a multi-target optimisation process, the Issuer's AI expertise is particularly useful to expedite the process and source a set of appropriate molecules for subsequent computational screenings and experimental assessments.

Along with its rapid growth, the traditional manual "make" process in the DMTA cycle is time-consuming and error-prone, hindering the Issuer's ability to further grow and scale its business. To enhance operating efficiency, improve overall experimental quality, minimise manual error, and further scale its business, the Issuer applies standardised and automated processes to the "make" phase. As its automation technologies and capabilities evolve, the Issuer is exploring opportunities to provide standard or customised automation solutions to companies in the biotechnology and pharmaceutical industries and beyond. The Issuer's technologies and expertise accumulated from its drug discovery business also enable it to extend its R&D services into other related industries, such as automation and material science (including agritech, energy and new chemicals, and cosmetics).

The Issuer believes it is able to realise the benefits of having both local roots and a global footprint. Its access to talent and infrastructure in China, as well as its proximity to global biotechnology and pharmaceutical conglomerates, allows it to establish relationships with emerging Chinese and global companies. The Issuer believes its addressable market within the pharmaceutical industry is large and rapidly expanding, and it is well-positioned to capture such market opportunities.

Current Business

To date, the Issuer has leveraged its technological capabilities to focus on two primary businesses:

- *Drug discovery solutions.* The Issuer's drug discovery solutions span the full spectrum of the drug discovery and research process, providing modular standalone solutions to or collaborating with a diverse range of biotechnology and pharmaceutical companies and academic institutions for novel drug discovery endeavours.
- *Intelligent robotics solutions.* The Issuer's intelligent robotics solutions primarily consist of solid-state R&D services and automated chemical synthesis services.
 - The Issuer's solid-state R&D services encompass computational services, wet lab experimental services and integrated solutions which is a combination of both computational services and web lab experimental services. The computational services include CSP and morphology prediction, as well as screenings on coformers and carriers for crystallisation. The Issuer's wet lab experimental services encompass many aspects of solid-state R&D, such as crystallisation process development and crystal structure determination, among others.
 - The Issuer's automated chemical synthesis services apply automation technology to enable faster and more accurate production of chemical compounds.

The Issuer also offers standard or customised automation solutions to companies in the biotechnology and pharmaceutical industries and beyond.

The table below sets forth the Group's revenues by business line for the years / periods indicated:

	Year ended 31 December					Six months ended 30 June								
	2022		2023		2024	2024		2025						
						(Unaudited)								
<i>(RMB in thousands, except for %)</i>														
Drug discovery solutions	87,666	65.7%	87,728	50.3%	103,662	38.9%	60,850	59.3%	435,212	84.2%				
Intelli-gent robotics solutions	45,687	34.3%	86,692	49.7%	162,771	61.1%	41,780	40.7%	81,864	15.8%				
Total	133,353	100.0%	174,420	100.0%	266,433	100.0%	102,630	100.0%	517,076	100.0%				

As of 30 June 2025, a substantial amount of the Group's revenues from drug discovery solutions was generated from its small molecule discovery solutions. The Group generated total revenues of RMB435.2 million as of 30 June 2025 from drug discovery solutions, representing approximately 84.2% of its total revenue in the same period.

DRUG DISCOVERY SOLUTIONS

Overview

The Issuer's drug discovery solutions primarily revolves around hit identification, lead generation, lead identification and lead optimisation to yield high-quality PCC molecules. Leveraging its integrated technology platform, the Issuer helps transform the traditional manual methods for drug design and discovery and contribute to the pharmaceutical innovations in China and around the world.

The Issuer's innovative, integrated technology platform-based approach features an efficient, streamlined workflow with iterative steps including AI-powered molecule generation and comprehensive evaluation on drug-like properties such as selectivity, solubility, ADMET and synthesisability, prediction of molecular interactions using high-precision quantum physics-based computation and robotic wet lab synthesis and assessments.

Comprising approximately 700 experts in protein science, biochemistry, biophysics, medicinal and quantum physics-based computation, and pre-clinical development as of 30 June 2025, the Issuer's drug R&D team applies its integrated technology platform-based approach and its practical expertise across a portfolio of drug discovery and collaboration programmes spanning across a wide range of disease targets and indications.

The Issuer had entered into multiple agreements for its drug discovery solutions, including collaboration programmes, some of which had entered into the IND-enabling or IND-submission phase, as of 30 June 2025. These solutions and collaboration programmes generate drug discovery revenue, and generally have the potential to produce additional royalty, milestone or contingent payments.

Small Molecule Discovery

The Issuer employs an integrated AI-driven workflow for small molecule discovery, starting with large-scale chemical space exploration to identify candidate molecules, followed by multi-property optimisation using AI and quantum physics for potency, selectivity and drug-like characteristics and concluding with automated wet lab synthesis and validation to ensure accuracy and efficiency while generating data to refine its predictive models.

- ***Broad-scope sampling of chemical structures.*** The Issuer begins by using its AI models to explore the vast chemical space of novel drugs and materials, sampling tens of millions of drug-like molecules as the starting pool that its AI models predict to be suitable for subsequent screening for the particular target at issue.

As a broader and deeper search of the chemical space of novel drugs and materials is conducted for each target compared to traditional manual methods, the Issuer believes that its approach is more likely to yield quality candidate molecules for traditionally challenging targets.

- ***Prediction of potency, selectivity and drug-like properties.*** Next, the Issuer deploys a combination of its AI models and quantum physics to perform a multi-property optimisation process, where its AI models predict certain drug-like properties, such as solubility and ADMET features, and its quantum physics-based platform predicts potency and selectivity, some of which could only be assessed at a later stage using traditional manual methods.

The optimal profile of a drug candidate represents an acceptable balance of properties such as potency, selectivity, solubility, bioavailability, half-life, permeability, drug-drug interaction potential, synthesisability, and toxicity, among others. The Issuer views drug development as a multi-parameter optimisation process because multiple properties are often inversely correlated, meaning that optimising one property often de-optimises others. The inherent difficulties and uncertainties of achieving a balanced profile, the inability to assess certain critical drug-like properties and liabilities until later stages of development using traditional manual methods, and the limited sampling of chemical space often lead to suboptimal candidate molecules advancing to subsequent development stages and eventually resulting in costly late-stage failures. Therefore, it is critical to identify potential failures early in the drug R&D process when costs incurred are still relatively low, in order to increase efficiency, reduce overall cost and improve the success rate of drug R&D programmes.

The Issuer's predictions yield a limited number of candidate molecules with a promising property profile. Its algorithms and prediction process are designed so that the resulting pool of molecules is small enough to be feasible for evaluation by subsequent wet lab experimentation, while being large enough to reduce false negative results due to the limitation of the computational accuracy.

- ***Robotic wet lab validation.*** Finally, the Issuer performs wet lab experimentation to synthesise the pool of candidate molecules and conduct a variety of tests to assess their properties. It carries out the vast majority of standard synthesis and tests through robotic automation, which reduces costs, increases capacity and improves accuracy. The wet lab validations also generate data on molecules that are used to train the Issuer's *in silico* tools for better future insights.

The Issuer has a proprietary “three-in-one” AI-powered small molecule drug R&D platform, ID4Inno, designed for exploring a broader chemical space of novel drugs and materials with higher efficiency and lower cost. Through its ID4Inno, the Issuer's intelligent computing designs the process for and analyses the outcome of automated experimentation, which provides data feedback to experts and experts set specificity and metrics for smart computing to achieve a closed-loop AI drug R&D process. The Issuer's ID4Inno consists of two sub platforms, ID4Idea and ID4Gibbs, with different but complementary functionalities. The Issuer's ID4Idea,

embedded with generative AI models, high-throughput virtual screening and enriched nature prediction models, can be customised based on its customers' and collaborators' diverse and specific requirements. It is used for the generation, selection and evaluation of small molecules with over 200 AI models, covering molecular generation, molecular property evaluation and various other scenarios. The Issuer's ID4Gibbs is a high-precision quantum physics-based computation platform based upon physical modelling and first-principles calculation, including XFF, Xpose and XFEP, for structural modelling, binding site identification, binding pattern prediction and affinity assessment, which enables high-precision prediction of drug-target interactions.

During the six months ended 30 June 2025, the Issuer launched its Molecular Glue platform, establishing a core team and initial collaborations with industry and academic experts. The platform integrates a DMTA closed-loop framework and advanced computational models, including quantum physics-based XFEP algorithms and protein surface fingerprinting, identifying approximately 1,000 potential targets and creating a virtual library of over 1.1 million molecules. Experimental efforts include cryo-EM resolution of ternary complexes and identification of initial active hits for two CRBN-dependent targets.

In November 2025, the Issuer announced the successful development of two innovative molecules (the **“Gemini Molecules”**) for hair growth and hair loss prevention, leveraging its AI-driven molecular discovery platform. The combined formulation, comprising the small molecule Remeanagen (XTP-118) and the peptide AquaKine (XTP-016), demonstrated superior efficacy, safety and speed of onset in human trials compared to existing products. The Gemini Molecules have completed INCI registration for new cosmetic ingredients in the U.S., and the formulated product has been approved for cosmetic product filing by the U.S. FDA, marking the Issuer's entry into the consumer healthcare sector.

Antibody Discovery

Driven by its customers' and collaborators' demand for antibody drug discovery and the great market potential of antibody drug discovery, the Issuer began to establish its antibody drug discovery capabilities in March 2021, leveraging its capabilities and expertise in small molecule drug discovery. The Issuer has developed a proprietary AI-powered next-generation antibody discovery platform, XupremAb, which is designed to provide a one-stop solution for antibody discovery covering antibody generation, antibody engineering and antibody developability assessment. It integrates various sub-platforms for different critical functions, including AI-powered hybridoma, AI-powered repertoire NGS discovery, AI-powered phage display, *de novo* design, super humanisation, AI-powered affinity modulation, developability assessment and optimisation, bispecific design and ADC design.

During the six months ended 30 June 2025, the Issuer's antibody R&D platform achieved technical progress. XtalFold®, developed in 2023 and continuously upgraded, launched its new Ultra mode to enhance modelling of complex biomacromolecules. XtalFold® has been applied in antigen design, epitope mapping, affinity maturation, pH sensitivity optimisation and bispecific antibody design, and has been licensed to multiple multinational pharmaceutical companies.

The Issuer will continue to develop domain-specific LLMs to be incorporated into its antibody discovery platforms, which will take into account the more complex three-dimensional structural information, as drugs interact with targets and exert their effects in a three-dimensional space. The Issuer expects its novel approach of antibody drug discovery to enable *de novo* antibody design, with little or no wet lab experiments, to optimise and accelerate the antibody drug discovery process.

To accelerate and reduce the cost and uncertainty of developing novel, life-saving drugs which are limiting factors of traditional antibody drug discovery methods, the Issuer adopts the following approaches:

- **Cast a wider net.** The Issuer's AI-powered repertoire discovery platform can unlock antibody sequence space to search for better and rarer candidates. With traditional methods involving hybridoma, only

0.01% to 0.1% of all B-cells can be explored, thus missing rare binders, while the Issuer's sequence-based AI models and NGS technologies can help search a much larger repertoire space, capturing nearly the entirety of the immune response, significantly improving hit diversity and achieving a hit rate of over 50%.

- **Design, not guess.** The Issuer approaches antibody engineering as design work rather than guesswork. It designs antibodies with direction by minimising the random mutagenesis and trial-and-error method that drives traditional engineering. The Issuer's suite of predictive AI models analyse antibodies using sequences solely, reducing the number of sequences to be made and tested. As a result, its AI-powered precision engineering can quickly and accurately enable fine-tuning of candidates to targeted profiles.
- **Excel in all dimensions.** The Issuer searches for the optimal candidates, which are expected to excel across all properties, including function, developability and immunogenicity. Its extensive predictive sequence-based AI models can predict developability with enhanced accuracy and speed and achieve multi-objective optimisation, including on aggregation, thermostability, viscosity and yield rate.
- **Design superior antigens.** The Issuer aims to design antigens beyond nature. As an example, GPCRs are difficult to express in their native forms, making GPCR antigen preparation a challenge. Mutations are usually required to thermostabilise GPCRs for expression. Human judgement and trial-and-error method are needed to identify mutations, which is tedious and time-consuming. Therefore, the Issuer utilises its AI technologies on large-scale mutations to thermostabilise the GPCR antigen. It uses its generative AI models, primarily its ProteinGPT with proprietary LLM, to generate mutants and narrows down the scope of mutants leveraging its predictive AI models of stability and ECL conformation. Its MD modelling subsequently conducts fine-grained assessment of stability to select optimal mutants, which have been validated by benchmark antibodies and cleared stability tests. The Issuer's unique approach can achieve rapid identification of mutations, maintain conformation of ECL and enhance the level of stability and expression of GPCR antigens.
- **Integrate and synergise.** The Issuer combines various platforms with diversified functions end-to-end and integrates wet lab and dry lab capabilities to achieve optimal results. Specifically, it houses its computational and experimental capabilities under the same roof to achieve closed-loop synergies, integrates its internal data generation and immediate wet lab feedback to contribute to the superiority of its AI models, and routinely optimises and trains ad hoc models for numerous specific programmes to generate and accumulate new data.

Leveraging its integrated technology platform and similar underlying methodologies that the Issuer uses for small-molecule drug discovery, the Issuer is exploring AI-powered solutions for the generation and prediction of other drug modalities, such as peptide, ADC, and PROTAC. Coupled with theoretical computation, empirical experimental data and its expert judgement, the Issuer's AI-powered function prediction model enables it to screen and recommend candidate sequences to satisfy the specific needs and criteria of the research programmes.

With its AI-powered capabilities and practical experience, the Issuer is able to assist its customers and collaborators to tackle problems efficiently in drug design and discovery and to conduct discovery of novel therapeutics at a pace and scale beyond those achievable with traditional wet lab-based approaches.

Set out below is a summary of the salient terms of a typical agreement for the Issuer's drug discovery solutions (excluding collaboration programmes):

- **Term.** The duration of the agreements with the Issuer's drug discovery solutions customers typically ranges from one to three years.

- **Respective roles and responsibilities.** The Issuer is generally responsible for (i) implementing the research plans as agreed under the agreements, (ii) achieving different milestones typically including hit identification, lead identification, lead optimisation, pre-PCC nomination, and PCC nomination, (iii) updating on the progress of the research programmes or relevant data regularly and (iv) delivering the research reports. The Issuer's customers are typically responsible for (i) performing compound synthesis and developability assessment and (ii) providing information, such as compound structure, target activity or other compound characteristics necessary for the Issuer to complete the research programme.
- **Payment schedule.** The Issuer is typically entitled to (i) an upfront payment or initiation payment within a specified time period following the effectiveness of the relevant agreements and (ii) typically two to eight milestone payments when the relevant programmes reach certain development milestones or events specified in the relevant agreements.
- **Credit Term.** The Issuer generally grants to its customers credit terms of ten to 30 days and settles with them by wire transfer.
- **Intellectual Property.** The Issuer typically has sole ownership of background IP and IP developed in the relevant programmes related to AI/ML technologies. Its customers typically own the IP derived from the research programme and are entitled to apply for patent for such IP.
- **Exclusivity.** The Issuer generally has exclusivity obligations under the agreements, prohibiting it from researching, developing or designing, or enabling other parties to conduct such activities of any compounds, molecules or other targeting moieties that are related to the research programmes within a specified period, with certain exceptions, such as written consents of its customers or written waivers of such exclusivity rights by its customers. Some of the exclusivity provisions are effective for a specified period of time, typically two to eight years.
- **Confidentiality.** The Issuer and its customers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party.
- **Termination.** If the Issuer is unable to deliver the desired work products that satisfy the criteria specified in the relevant agreements within a specified time period, its customers are generally entitled to early termination rights. If the Issuer's customers fail to make payments pursuant to the relevant agreements within a specified time period, the Issuer is generally entitled to early termination rights. Its customers typically may also terminate the agreements upon ten to 30 days' prior written notice if they determine that the research programme under the agreements is not necessary to continue.

Strategic Collaborations

In addition to drug discovery solutions, the Issuer also collaborates with certain drug developers (“**collaborators**”) to jointly work on various therapeutic targets (“**collaboration programmes**”) with huge unmet medical needs, from which the Issuer expects to receive royalty, milestone or contingent payments if such collaboration programmes reach milestones or events specified in the respective contracts, such as successful commercialisation in particular regions. The Issuer is responsible for the design, synthesis and assessment of candidate molecules against the pre-determined targets. Its collaborators conduct supplementary assays for the synthesised compounds and share the results with the Issuer. If the need arises, the Issuer will further optimise the molecules and its collaborators will run further tests until a set of satisfactory compounds are generated.

The Issuer aims to be a meaningful partner for innovative biotechnology and pharmaceutical and related companies, facilitating the quick translation of new biological discoveries into their promising new clinical candidates. The Issuer has entered into a number of collaborations with biotechnology and pharmaceutical companies and academic institutions under which its collaborators pursue research in a number of therapeutic areas, such as oncology, neurology, respirology and inflammatory diseases. In some cases, the Issuer retains at least partial ownership in the pipeline programmes, typically in the double-digit percentage range, of the programmes pursued under these collaborations. The Issuer is not responsible for advancing their pre-clinical development beyond generation of PCCs.

Among the key factors the Issuer uses in selecting collaborators are potential conflicts of interest, existence of sufficient structural information on the targets, well-understood nature and high therapeutic potential of the target, amenability of the target to the strengths of the Issuer's integrated technology platform and the collaborator's complementary capabilities, all of which contribute to an increased probability of success.

Through access to the Issuer's integrated technology platform and its practical experience in drug discovery, the Issuer can provide its collaborators with the following key benefits:

- **Immediate utilisation of the Issuer's integrated technology platform.** Ability to immediately and efficiently access the full benefits of its premier *in silico* tools, robotic wet lab facilities and its deep practical experience and expertise.
- **Access to vast data assets.** Ability to utilise the vast meaningful data assets accumulated from the Issuer's calculations and experiments, reducing the time and costs for the design and discovery of drug candidates and evaluation of drug-like properties.
- **Access to substantial computing power.** Ability to access over hundreds of thousands of cores of computing power through the multi-cloud infrastructure for drug design and discovery, avoiding the time and cost needed to build this infrastructure on their own and improve the capital and research efficiency.
- **Target uniqueness.** Under the Issuer's collaboration agreements, it typically agrees to design drugs for a particular target or targets using its integrated technology platform and know-how only for the specific collaborator, therefore enhancing the protection of IP and reducing the likelihood of future conflicts of interest.
- **Equity Stakes.** From time to time, the Issuer may either (i) offer its solutions in exchange for equity interests in its collaborators which are at an early development stage, short of funding and have great growth potential or (ii) make equity investments in selected companies which develop complementary technologies to its own and which the Issuer considers compatible with its strategic position (such collaborators and selected companies, collectively the "**collaborator-investees**"). XtalPi Investment is the ultimate holding company of the equity interests of certain collaborator-investees and serves as the incubator platform for the Issuer's collaborator-investees, which is led by the Issuer's Co-founders and Dr Zhang Peiyu (the Issuer's Chief Scientific Officer) and supported and executed by its scientists, technologists and employees.

The Issuer invests in companies which it considers to have potential first-in-class or best-in-class pipelines or cutting-edge technologies, aiming to establish an ecosystem within which the Issuer and its collaborator-investees can achieve synergies in a wide array of aspects, including resources, technologies and expertise. The Issuer mainly focuses on collaborator-investees engaging in domains which align with its existing business focus, including design and discovery of drugs and new materials, biomaterials, novel chemical compounds for agritech applications, new chemical surfactants and catalysts, cosmetics and healthcare products which it believes will have more potential to benefit from the specific resources and expertise offered by the Issuer. In

addition, the Issuer assesses and evaluates its collaborator-investees based on various factors, which include: (a) the novelty and potential scientific achievements of the collaborator-investees' programmes; (b) synergies which the Issuer may achieve with the collaborator-investees through applying its quantum physics-based computation, AI, and automation technologies; (c) the founders and management team's credentials, their R&D achievements of research projects in their respective scientific fields and industry experience; (d) market size and competitive landscape of similar drugs or technologies in the market; (e) stage of development of the collaborator-investees which offers higher potential of growth; (f) background and portfolio of the existing partners and shareholders of the collaborator-investees; and (g) options for potential exit. As an incubator platform, apart from the service solutions the Issuer provides in exchange for equity interests, it can offer various resources to its collaborator-investees as they may need to support their early-stage business growth and development through access to its integrated technology platform, including offering them corporate venturing opportunities, providing them business development, operational and technology infrastructure support, providing networking opportunities to potential investors, recommending and referring potential customers, suppliers, business partners and licensees, sharing its development and operational experience and providing guidance on technology and laboratory infrastructure. The Issuer expects its collaborator-investees could help it expand into other sectors complementary to its business, enhance its existing technology and allow it to profit from their increased value and growth.

The Issuer's collaborator-investees typically grant it certain special rights in the relevant investment agreements, including information and inspection rights, right of first refusal, co-sale rights, drag-along rights, anti-dilution rights, redemption rights, director nomination rights and/or liquidation preference.

The Issuer regularly monitors the operations and evaluates the performance of its collaborator-investees. It employs a flexible exit strategy to optimise its returns under which, when exit opportunities arise, it may exit by transferring all or a portion of the equity interests in its collaborator-investees to third parties through private transactions, acquisitions (in the event they are acquired by third parties) or sales in the open market (in the event they go public), as it considers appropriate and if the terms and valuation are attractive.

Peptide and Protein Drug Discovery

During the six months ended 30 June 2025, the Issuer introduced PepiX™, a peptide and protein R&D platform combining generative AI design, automated synthesis and trillion-scale peptide library screening. PepiX™ achieved key milestones, including preclinical cancer vaccine candidates with strong immunogenicity, two oral peptide health products entering regulatory approval and a renal cancer FIC target project advancing to efficacy validation in collaboration with the National Cancer Centre Singapore. Additionally, the Issuer built a library of over 2,000 non-natural amino acid monomers to expand chemical space and address stability and permeability challenges in peptide drug development.

mRNA2vec Technology

During the six months ended 30 June 2025, the Issuer presented its breakthrough mRNA2vec technology at the Association for the Advancement of Artificial Intelligence Conference, introducing a new AI-driven paradigm for mRNA design. This technology optimises sequence design to enhance expression levels and stability, reducing development costs and timelines compared to traditional screening methods. Using mRNA2vec, the Issuer identified highly efficient 5'UTR vectors that significantly boost protein expression with only 15 candidate sequences, paving the way for personalised mRNA therapeutics and applications in cancer vaccines and gene therapy.

XtalPi R&D Solutions

The Issuer launched its XtalPi R&D Solutions programme in late 2022 to expand its business in other sectors, such as material science, automation and molecular design for industrial purposes. As of 30 June 2025, the

Issuer had entered into several contracts to provide tailored XtalPi R&D solutions to leading pharmaceutical and research organisations:

- The Issuer signed an agreement with JW Pharmaceutical Corporation. Under this agreement, the Issuer will provide an integrated solution comprising an automated synthesis workstation, an AI-based reaction condition optimisation system, and an analysis platform.
- The Issuer entered into a cooperation agreement with Liangzhu Laboratory, established by Zhejiang University. The parties will collaborate on the development of a robotics-powered biomaterials laboratory, with the Issuer supplying a robotics platform to support synthesis and testing workflows.
- The Issuer has entered into a partnership with Roche to provide automation modules, including robotics, transport systems, barcode scanning, and automated storage and retrieval systems for molecular building blocks.

Material Science

The Issuer's quantum physics-based AI-powered integrated platform can also be applied to new problems of interest and new fields of study, such as the discovery of biologics. The physics underlying the properties of materials is no different than the physics underlying the properties of drug molecules. Therefore, the Issuer believes it is able to apply its integrated technology platform to material science applications, including biomaterials, novel chemical compounds for agritech applications, new chemical surfactant and catalyst and cosmetics and healthcare products.

During the six months ended 30 June 2025, the Issuer established a next-generation automated crystallisation platform covering experimental design, screening execution, analysis, characterisation and report generation. This platform enables centralised, full-volume data management and expands the use of digitalisation and smart technology in materials research. The Issuer also broadened its technological applications across multiple material domains, including adhesives, coatings, electrolytes, catalysts and advanced carbon materials and secured orders from several leading companies in the materials sector.

Biomaterial

The Issuer formed a joint venture with Zhongke Guosheng (Hangzhou) Technology Co., Ltd. (“**GS BIOMATS**”) in May 2022 to capitalise on the transition from petroleum-based materials to bio-based materials. The joint venture has established a proprietary UpChemist.AI platform, which integrates its quantum physics-based computation, AI and automation capabilities with GS BIOMATS’ expertise in product industrialisation. The UpChemist.AI platform is designed to combine structural design, property screening, process optimisation, robotic automation and its domain expertise to accelerate and scale the R&D and commercialisation of bio-based materials.

The Issuer has made some progress in the R&D of bio-based surfactants. In a collaboration programme between the Issuer and the Institute of Chemical Engineering of the Guangdong Academy of Sciences, the UpChemist.AI platform substantially shortened the R&D cycle of the new surfactants. Within four months, the Issuer successfully developed a new type of furan-based bio-based surfactant.

In addition, the Issuer partnered with one of the world’s largest petrochemical conglomerates in December 2023, to establish an automated chemical synthesis facility that will enable high-throughput synthesis of a specific biomaterial for the petrochemical company, with the goal of increasing its operational efficiency.

Agritech

The Issuer has assembled an experienced team consisting of industry leaders and academics, with a view to innovating the agricultural industry. The Issuer aims to leverage its R&D capabilities and accumulated expertise, in particular its AI and quantum physics-based technologies, to enable more cost-efficient, more accurate and faster design and discovery of new chemical compounds with desired properties, for example, in the pesticides and fertiliser sectors. In February 2025, the Issuer entered into a collaboration agreement with Shanghai CyberplantX Biotech Co., Ltd. to build an AI-driven “intelligent evolution engine” to accelerate super-crop development, targeting yield, resilience and sustainability improvements. In addition, in March 2025, the Issuer entered into a cooperation agreement with Guangdong Hengjian Investment Holding Co., Ltd. and Shandong Shouguang Vegetable Industry Group Co., Ltd. to apply AI to seed industry innovation for high-quality agricultural development. The agreement focuses on breeding efficiency and industrialisation within agricultural clusters.

Cosmetics Products

The Issuer also plans to leverage its R&D capabilities to tap into the cosmetics and healthcare industries, which have significant market potential. The Issuer entered into a strategic cooperation with Edelweiss Connect (“EwC”), a Swiss product design and risk assessment solution provider, in July 2023, to jointly develop AI-powered skincare product safety assessment solutions by integrating machine learning, *in vitro* assays and high-content cellular imaging analysis technology. The aim of this strategic cooperation is to provide an integrated *in silico* and *in vitro* assessment method in lieu of animal testing, which is expected to be more accurate and reliable for the risk assessment of skincare products and at reduced costs and time.

New Materials and Chemicals

The Issuer aims to boost its R&D solutions business by discovering and developing more environment friendly materials. The Issuer is in the process of developing automated synthesis of petrochemicals and new materials for electric vehicle (“EV”) batteries. Furthermore, the Issuer is partnering with a leading university on battery R&D automation, focusing mainly on the automation of formulation and property testing of battery electrolyte. This battery R&D automation programme aims to realise rapid iteration of the automated battery electrolyte formulation process, reduce experimental costs and shorten experimental cycles, through automated weighing and mixing, high-throughput dispensing and automated formulas record. In addition, in February 2025, the Issuer announced its investment in Future Bio, a pioneer in bio-renewable plastics, as part of the Berkely Star Project in developing future materials via bio-AI and biomanufacturing with an aim to reduce annual carbon emissions.

INTELLIGENT ROBOTICS SOLUTIONS

The Issuer’s intelligent robotics solutions leverage its AI capabilities and robotic automation to empower its wet lab to provide stable and reliable data and results in a more efficient, accurate, and scalable way. The Issuer’s intelligent robotics solutions comprise primarily solid-state R&D services and automated chemical synthesis services catered to its drug discovery customers and collaborators, and plans to strategically focus on providing standard or customised automation solutions to prospective customers in the pharmaceutical and material science industries.

During the six months ended 30 June 2025, the Issuer developed a new generation of modular robotic systems incorporating advanced visual perception, AI and robotic technologies. A key innovation is the patented NeoDispenser, designed to improve automated handling of solid reagents. The NeoDispenser enables precise dispensing of quantities below five milligrams, enhances adaptability to powders with varying flow and particle characteristics, and reduces material waste by drawing directly from original reagent containers. The system integrates real-time visual analysis, an intelligent powder attribute database and AI-driven predictive models to

optimise handling strategies. These features allow seamless interaction with other robotic systems and support higher levels of automation in chemical research processes.

Solid-state R&D Services

Overview

Solid-state R&D is part of drug development, the second stage of drug R&D, comprising primarily pre-clinical studies and clinical trials. Solid-state R&D plays a critical role throughout the drug development cycle. Typically, solid-state studies are required in at least three stages of drug development: pre-clinical stage, post-Phase I clinical studies and post-Phase II clinical studies, with the purpose of identifying suitable and thermodynamically stable crystal forms for *in vitro* studies, scale-up studies and patent protection.

The Issuer's solid-state R&D services encompass computational services, wet lab experimental services and integrated solutions which is a combination of computational services and web lab experimental services. The Issuer provides solid-state R&D services to pharmaceutical and biotechnology as well as material science companies, typically after it discovers and designs a target compound in dry lab, to identify the optimal crystal form of such compound. Many compounds crystallise into more than one distinct crystal form, a phenomenon known as polymorphism, which is particularly important for pharmaceutical molecules as the bioavailability and efficacy of drugs can be significantly affected by a particular crystal form. Thorough solid-state studies are crucial for obtaining patent protections for the critical crystal forms of a particular drug molecule.

The Issuer's solid-state R&D services are designed to encompass major steps of solid-state R&D from full screening and characterisation of crystal forms to crystallisation process development, addressing challenges that traditional solid-state R&D methods face, such as API low solubility, poor *in vitro* stability, hygroscopicity, unclear API conformation and polymorphic risk.

The Issuer's solid-state R&D services encompass computational services, wet lab experimental services and integrated solutions which is a combination of computational services and wet lab experimental services.

Computational Services

The Issuer conducts computational studies to predict the crystal structure and morphology of solid-state drugs. Such computational studies help better inform the subsequent wet lab experimentation and reduce the risk of failures in drug development and patent protection.

Crystal Structure Prediction

The Issuer offers a combination of quantum physics-based computation and AI-powered CSP service that help transform the CSP process. The Issuer's CSP service is able to identify stable crystal forms and provide thermodynamic stability ranking of different structures across a range of temperatures (0K-400K) efficiently.

Virtual Coformer, Salt, Solvate and Carrier Screening

The Issuer is capable of conducting computational screenings to recommend suitable co-crystal coformers, counterions, solvents and carriers to potentially accelerate solid-state R&D, reduce costs, avoid empirical omissions and increase the likelihood of successful identification of coformers, counterions, solvents or carriers. With its advanced virtual screening techniques, the Issuer can conduct rational design enabling it to deliver a list of promising coformers or counterions to its customers in just one week and ultimately recommend approximately 20 promising coformers or counterions for the follow-up experimental studies within a short timeframe of two to three weeks.

Morphology Prediction

Crystal morphology, which can be highly dependent on crystallisation conditions, is one of the key properties affecting the flowability, compressibility and dissolution of pharmaceutical solids. The Issuer's morphology prediction is based on multiple computation models to systematically explore the variability and controllability of the crystal morphology. It facilitates rational design of the relevant crystallisation parameters to obtain a desired morphology for industrial processes in order to resolve issues such as difficulty in filtration or wide distribution of particle size.

Wet Lab Experimental Services

In addition to its computational services, the Issuer conducts wet lab experimentation for solid-state R&D to support its internal research efforts and suit its customers' particular needs. Its wet lab capability encompasses various stages of solid-state R&D from early solid form screening to process development for scaled-up production. Combining its improved algorithms and experimental expertise, it can design and customise as well as effectively perform the solid-state screening process through its proprietary automated crystallisation workstations. In addition, the Issuer utilises XtalGazer™, an AI-driven solid-form screening platform that integrates predictive modelling with automated experimental workflows to identify and analyse polymorphs efficiently, supporting decision-making in drug development and materials research. The Issuer has also established technical capabilities with microcrystal electron diffraction ("MicroED") to facilitate structure determination and circumvent limitations of traditional methods, such as single X-ray diffraction that requires large size, single-phase crystal in regular shape and uniform orientations.

Polymorph Screening and Selection

The Issuer incorporates its CSP technology to locate low-energy structures as clear targets for the screening experiments to ensure the completeness of polymorph screening and mitigate the risk of missing stable forms. It also compares the experimental results with the computationally generated energy ranking to evaluate the relative stability between crystal forms.

Salt Screening and Selection

The Issuer's systematic salt screening and selection service combines virtual counterion screening with solvent system recommendation for the testing of more than 10 of each of acidic and alkaline counterions in salt forming reactions with the free form API. The resulting samples are characterised by a series of methods to confirm the formation of salt form, determine certain parameters such as the ratio of counterions, and assess the thermodynamic properties. For the salt forms with desired properties, the Issuer carries out scaled-up production and systematic characterisation studies, such as hygroscopicity, stability and solubility to select the optimal salt form for the subsequent R&D.

Crystal Structure Determination

Once a crystal form of a particular drug candidate is available, it is critical to determine its crystal structure. The Issuer can obtain structural information primarily by two experimental methods: MicroED and the traditional single-crystal X-ray diffraction. MicroED uses electron beams with stronger interactions with atoms in the crystal than X-rays, resulting in stronger diffraction patterns. Compared to the traditional single-crystal X-ray diffraction method, MicroED lowers the requirements for the crystal samples in terms of shape, size and purity and can determine the crystal structure in a shorter time which may improve the efficiency of crystal structure determination. The Issuer's MicroED platform also features an automated process that integrates

sample loading, particle targeting, photograph and on-the-fly monitor of data-collection progress capabilities. A structure determination programme can be completed within two to three weeks.

Crystallisation Process Development

Crystal form research on an API forms the nexus between its chemical synthesis and subsequent formulation development. A fundamental part of crystal form research is to ensure reproducible and scalable production of the desired crystal form selected from solid-state studies. The Issuer's crystallisation process development services help customers establish a scientific and rational crystallisation process to generate the selected crystal form, as well as improve the overall quality of the API by optimising yield, purity, solvent residue, particle size and particle size distribution and bulk density, among others. For example, the Issuer optimises process conditions to avoid needle-shaped crystals that are fragile, because such crystals may break easily in the agitation and filtration process and produce a large number of secondary nucleation sites that negatively affect the final crystal size and form. The Issuer also investigates approaches to optimise the crystal size and size distribution to reduce risks associated with uneven size distribution that could lead to dissolution issues and quality fluctuations of the crystal form.

Integrated Solutions

The Issuer offers integrated solutions that combine its expertise in both computation and experimentation to cater to its customers' needs and address multiple aspects of their solid-state R&D endeavours. As of 30 June 2025, the Issuer offered a series of solutions that encompass solid-state property screening for lead molecules, solubility improvement studies, crystallisation process development and crystal structure determination for challenging molecules, polymorph risk assessment for medicinal crystal form and polymorph patent breakthrough studies for generic drugs.

Set out below is a summary of the salient terms of a typical agreement for the Issuer's solid-state R&D services:

- ***Term.*** The duration of the agreements with the Issuer's solid-state R&D service customers is typically less than six months.
- ***Roles and responsibilities.*** The Issuer is generally responsible for (i) carrying out the steps as described in the research plan as agreed under the agreements (ii) updating on the progress of the research programmes regularly and (iii) delivering the research reports.
- ***Payment schedule.*** The Issuer is typically entitled to (i) an upfront payment or initiation payment within a specified time period following the effectiveness of the relevant agreements and (ii) a final payment upon completion of the relevant research programme.
- ***Credit term.*** The Issuer generally grants to its customers credit terms of 15 to 30 days and settles with them by wire transfer.
- ***Intellectual Property.*** The Issuer typically has sole ownership of background IP and IP developed in the relevant programmes related to AI/ML technologies. Its customers typically own the IP derived from the research programme after making all payments under the agreements and are entitled to apply for patent for such IP.
- ***Confidentiality.*** The Issuer and its customers are obliged to keep confidential any information in relation to the performance of the agreements including but not limited to the confidential information received from the other party.

- **Termination.** If the Issuer is unable to deliver the desired work products that satisfy the criteria specified in the relevant agreements within a specified time period its customers are generally entitled to early termination rights; if its customers fail to make payments pursuant to the relevant agreements within a specified time period the Issuer is generally entitled to early termination rights.

Automated Chemical Synthesis Services

Chemical synthesis is the process where chemical reactions are performed to convert a reactant or starting material into compounds which is time-consuming and costly. The Issuer began leveraging its automation technology and capabilities to provide automated chemical synthesis services in December 2021 as an upgrade to its traditional non-automated chemical synthesis services. The Issuer has developed an in-house automation system, XtalDynamics, which is able to accelerate the chemical synthesis process, improve data quality and generate a large scale of data 24 hours per day, while ensuring occupational safety with minimum human intervention. The Issuer's XtalDynamics can standardise certain automated wet lab processes, ensuring reduced human intervention, errors and consistent operational results. The Issuer's lab operators set up the procedures in its system, such as the order in which reagents are added, the heating temperature and the period of experiment time, and XtalDynamics can run the chemical synthesis automatically. To ensure its data quality, the Issuer also employed an analytical technique, LC-MS, to monitor and control the quality of its automated chemical synthesis process. During the six months ended 30 June 2025, the Issuer enhanced its chemical synthesis capabilities through the integration of specialised AI tools within its automated laboratory systems. These tools enable predictive modelling of synthetic feasibility across extensive chemical spaces and support autonomous execution of synthesis workflows. The AI modules are designed to optimise procurement decisions, control reaction processes and manage data quality, reducing manual intervention and increasing throughput. In addition, the Issuer utilises XmartChem®, an intelligent synthesis workstation that automates complex workflows including solid and liquid dispensing, reaction control, sampling, and real-time monitoring with AI-driven optimisation, enabling high-throughput synthesis and improved operational consistency.

Set out below is a summary of the salient terms of a typical agreement for the Issuer's automated chemical synthesis services:

- **Term.** The duration of the agreements with the Issuer's automated chemical synthesis service customers typically ranges from half a year to one year.
- **Respective roles and responsibilities.** The Issuer is generally responsible for performing automated chemical synthesis work and delivering the target compounds and final research report on the result of compound synthesis. Its customers are typically responsible for providing information, materials and other support necessary for the Issuer to complete the programme.
- **Payment schedule.** The Issuer is typically entitled to receive monthly or quarterly payments based on the full-time equivalent rates as specified in the agreements within a specified time period upon the receipt of the invoice.
- **Credit term.** The Issuer generally grants to its customers credit terms of ten to 30 days and settles with them by wire transfer.
- **Intellectual Property.** The Issuer typically has sole ownership of background IP and IP developed in the relevant programmes related to AI/ML technologies. Its customers typically own the IP derived from the research programme and are entitled to apply for patent for such IP.
- **Confidentiality.** The Issuer and its customers are obliged to keep confidential any information in relation to the performance of the agreements including but not limited to the confidential information received from the other party.

- **Termination and renewal.** Typically both parties can terminate the agreements if the other party fails to cure a breach within a notice period of 30 days. The agreements may also be terminated as mutually agreed by both parties.

SIGNIFICANT COOPERATIONS, COLLABORATIONS AND ACQUISITIONS

The Issuer collaborates with biotechnology and pharmaceutical companies and academic institutions on therapeutic targets with significant unmet medical needs. Under these collaboration programmes, the Issuer typically designs, synthesises and assesses candidate molecules, while collaborators conduct supplementary assays. The Issuer may receive milestone payments, royalties or other contingent consideration upon achievement of specified development or commercialisation events.

Generally, the payments the Issuer is eligible to receive from a collaboration programme increase as the programme advances, while it may incur substantial upfront expenses at the early stage of the programme.

From time to time, the Issuer may acquire equity interests in collaborators or make strategic investments in companies developing complementary technologies. These investments are intended to create synergies and enhance the Issuer's technology platform. The Issuer may exit such investments through private transactions, acquisitions or public market sales, subject to prevailing conditions.

Cooperation with Pfizer

In April 2018, the Issuer entered into a ten-year strategic master research cooperation agreement (the “**Pfizer Master Agreement**”) with Pfizer for its solid-state R&D service business, pursuant to which Pfizer and the Issuer have engaged in strategic research cooperations to develop hybrid physics- and AI-powered technologies to accelerate drug R&D. Pfizer and the Issuer approved a research plan under the Pfizer Master Agreement, containing research purpose and programme milestones and identifying funding and resources from each party required to complete such research plan.

To date, the Issuer has cooperated with Pfizer to carry out multiple research plans, including the development of optimised force field parameters. In June 2025, the Issuer expanded its collaboration with Pfizer to co-develop a next-generation AI-driven molecular modelling platform tailored to Pfizer's chemical space, leveraging its XFEP platform for Pfizer to use in its drug discovery efforts.

Collaboration with a global leading pharmaceutical company headquartered in Indianapolis, Indiana

The Issuer entered into an AI small molecule drug discovery collaboration worth up to US\$250 million with a global leading pharmaceutical company headquartered in Indianapolis, Indiana, for its drug discovery solutions business in April 2023. The Issuer's collaborator is a U.S.-based New York Stock Exchange-listed global pharmaceutical conglomerate, which discovers, develops, manufactures and markets human pharmaceutical products in approximately 110 countries. The Issuer's collaboration aims to develop the drug candidates which target a disease that currently has huge unmet medical needs. The Issuer will leverage its AI capabilities and automated robotics platform for the de novo design and delivery of a novel compound, which will be advanced by this collaborator through clinical and commercial development. In particular, its small molecule drug discovery platform will help to create and explore a target-specific mega chemical space, as well as identify a promising lead series. The Issuer will conduct tests on each synthesised molecules group using its internal biochemical, pharmacodynamic, cellular and pharmacokinetic assay capabilities. The programme-specific R&D data will be fed into generative AI models through iterative cycles of design, making, testing and analysis.

Collaboration with DoveTree Medicines LLC

In June 2025, the Issuer entered into a collaboration agreement worth up to US\$5.99 billion with DoveTree Medicines LLC (“**DoveTree**”), a company founded by Professor Gregory Verdine. Under the agreement, the Issuer will provide drug discovery services using its AI and robotics platform. DoveTree will obtain exclusive global rights to develop and commercialise resulting products. The agreement includes an initial payment of US\$51.0 million for the first phase, additional payments of US\$49.0 million, and milestone-based variable payments of up to US\$5.89 billion, as well as potential royalties based on a single-digit percentage of annual net sales. During the six months ended 30 June 2025, the Issuer achieved the first-phase milestone and recognised US\$51.0 million as revenue.

Collaboration with PharmaEngine, Inc.

The Issuer collaborated with PharmaEngine, Inc. on the development of PE-0260, a PRMT5 inhibitor. Using AI-based drug design and computational chemistry, the Issuer supported the identification of PE-0260 as a preclinical candidate. PharmaEngine has filed an IND application and initiated clinical trials.

Collaboration with Leman Biotech Co., Ltd.

The Issuer’s AI capabilities enabled Leman Biotech Co., Ltd. (“**Leman Biotech**”) to achieve two key milestones: its metabolically enhanced CD19 CAR-T therapy successfully treated multiple systemic lupus erythematosus patients using approximately 0.1% of the conventional dose and without lymphodepletion, with patients achieving complete remission without medication. In addition, Leman Biotech optimised a metabolic enhancer for solid tumour CAR-T therapy, improving receptor binding and immune activity, allowing the programme to advance to investigator-initiated trial preparation in the first half of 2025.

Collaboration with Union Chimique Belge S.A.

In January 2025, the Issuer, through its wholly-owned subsidiary Shanghai Ailux Biotechnology Co., Ltd. (“**Ailux**”), entered into a licence agreement with Union Chimique Belge S.A. (“**UCB**”), a leading biopharmaceutical company, to leverage XtalFold™, the Issuer’s proprietary AI-powered biologics platform, for the discovery and engineering of therapeutic antibodies. XtalFold™ provides rapid and accurate structural insights to accelerate biologics innovation, including antigen design, epitope identification, affinity maturation and bispecific antibody design. This collaboration enables UCB to integrate advanced computational modelling into its antibody discovery and optimisation workflow, supporting the development of high-quality therapeutic candidates.

Collaboration with MIIT SME Development Promotion Centre

In March 2025, the Issuer entered a strategic cooperation with the MIIT SME Development Promotion Centre to implement the national “AI+” initiative across industrial clusters, leveraging a service network spanning 31 provincial platforms and 169 city platforms. The partnership aims to apply AI and robotics to biopharma, new chemical materials and consumer-goods SMEs to accelerate digitalisation and intelligent manufacturing.

Collaboration with PaiLin Bio-Pharmaceutical Co., Ltd.

In April 2025, the Issuer signed a five-year cooperation worth up to RMB100 million with PaiLin Bio-Pharmaceutical Co., Ltd to integrate AI and robotic experimentation into blood-product R&D, intelligent manufacturing and lifecycle quality management. The collaboration includes protein structure/function studies to drive product upgrades and market applications.

Acquisition of Shanghai Siwei Medical Technology Co., Ltd.

On 10 May 2025, a wholly-owned subsidiary of the Issuer entered into a conditional agreement to acquire 90% of the equity interest in Shanghai Siwei Medical Technology Co., Ltd. (the “**Target Company**”) for a cash consideration of RMB250 million.

The Issuer intends to integrate the Target Company’s electrocardiographic diagnostic datasets, including ECG readings, ultrasound imaging and cardiovascular parameters, with its proprietary AI-assisted diagnostic system to establish an AI-powered remote electrocardiographic diagnostic platform. This platform is expected to improve diagnostic efficiency and address resource distribution challenges in basic healthcare institutions. In addition, the Issuer plans to leverage insights from electrocardiographic big data to support the development of its cardiovascular drug pipeline and functional health products, strengthening the technical capabilities of its AI drug development platform.

Acquisition of Liverpool ChiroChem (LCC) Technologies Limited

In June 2025, the Issuer acquired Liverpool ChiroChem (LCC) Technologies Limited (“**LCC**”), a global leader in automated chiral chemistry technologies. This strategic acquisition enhances the Issuer’s ability to explore and synthesise novel chemical space with speed and precision, complementing its AI-driven drug discovery platform. By integrating LCC’s proprietary PACE™ technology and billion-scale virtual chiral library with the Issuer’s quantum physics and robotics capabilities, the Issuer significantly broadens its accessible chemical space and accelerates the development of next-generation therapeutics and advanced materials.

Collaboration with China Pharmaceutical University

In June 2025, the Issuer opened its proprietary AI drug discovery platform to faculty and students at China Pharmaceutical University, with the first phase of PatSight patent analysis deployed and further modules to follow for molecular design and efficacy evaluation. The collaboration builds on a joint research centre and supports both research and education use cases.

Collaboration with Eli Lilly and Company

In November 2025, the Issuer, through its wholly-owned subsidiary Ailux, entered into a strategic collaboration with Eli Lilly and Company (“**Lilly**”) to accelerate the discovery and development of bispecific antibodies. Under the collaboration, Lilly will access Ailux’s AI-powered bispecific antibody engineering platform, which integrates advanced structural modelling, generative design, and developability analytics to deliver therapeutic constructs with novel functionality and optimal drug-like properties. The collaboration includes upfront and near-term payments totalling a double-digit million-dollar amount, with the potential overall value of the agreement, including development, regulatory and commercial milestone payments, reaching up to US\$345 million.

Collaboration with Gan & Lee Pharmaceuticals Co., Ltd.

In December 2025, the Issuer entered a global strategic collaboration and platform licensing agreement with Gan & Lee Pharmaceuticals Co., Ltd. to apply its PepiX™ AI peptide R&D platform to metabolic disease targets, covering design, screening and optimisation from molecular design through preclinical candidate selection.

For further details, see “*Risk Factors – The Issuer has engaged and may continue to pursue collaborations or licensing arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements, which may fail to produce anticipated benefits and adversely affect its operations.*”

RESEARCH AND DEVELOPMENT

The Issuer's R&D team consisted of more than 700 scientists and technologists, as of 30 June 2025. They possess multi-disciplinary expertise in algorithm design, physics, biology, chemistry, pharmaceutical R&D and automation and robotics that collectively bring insights and experience to its R&D. As of 30 June 2025, the Issuer had more than 247 granted patents and five R&D facilities with more than 10,000 sq.m. of lab space. The Issuer employs a proprietary AI-driven R&D framework integrating computational and experimental workflows to accelerate drug and material discovery. This approach combines advanced algorithms, quantum physics-based computation and automated wet lab processes to improve efficiency and accuracy in candidate design and evaluation. The Group's R&D expenses increased from RMB359.0 million in 2022 to RMB480.7 million in 2023, and decreased to RMB418.2 million in 2024, and from RMB210.4 million in the six months ended 30 June 2024 to RMB221.5 million in the six months ended 30 June 2025, accounting for approximately 53.5%, 49.8%, 39.8%, 39.3% and 40.7% of its total operating expenditure, aggregated amount of cost of revenues, general and administrative expenses, research and development expenses and selling and marketing expenses, in the same years and periods, respectively.

The Issuer also has a dedicated innovation team (the “**XIC team**”) in Beijing, China, which focuses on fundamental innovation through AI, scientific computing and advanced experimental technologies to continue developing the application of AI and automated experimental technologies in life sciences and other high-value sectors such as material science (including agritech, energy, cosmetics and healthcare). The XIC team, led by the Issuer's Co-founder Dr. Lai, possesses robust expertise in AI, such as deep learning, data mining and multi-method integration to define and address key issues in both the R&D process and the computational algorithms. Dr. Lai, who holds a Ph.D. from the University of Chicago and conducted his postdoctoral research at MIT, has extensive research experience in AI and quantum physics applications in pharmacology.

The Issuer engages third party service providers to conduct certain of its R&D activities from time to time. The Issuer generally outsources relatively standard and administrative R&D-related activities, such as experiment and testing procedures, IP-related filings, and research project funding applications, to third parties so that it is able to focus its R&D resources on its core technologies, solutions and services and improve its R&D efficiency.

INTELLECTUAL PROPERTY

The Issuer files patent applications that cover its key software and programmes, AI-, calculation-, and automation-related methods, systems and technologies, among others, that underlie its integrated technology platform and its drug discovery programmes, to secure and protect its IP rights. As of 30 June 2025, the Issuer was granted 247 patents, including 16 in the U.S., 225 in China, 2 in Japan, and 3 in Taiwan, and filed 874 patent applications, including 53 in the U.S., 573 in China, 17 in Taiwan, 13 in Europe, and 194 under the Patent Cooperation Treaty (“**PCT**”), based on which it plans to file for applications in the U.S., China and other jurisdictions, as well as other priority PCT applications. As of 30 June 2025, of all the 874 patents and patent applications, 849 were internally developed and 25 were co-developed and co-owned under research programmes with academic institutions. The Issuer's patents are expected to expire between 2031 and 2043, absent any adjustments or extensions.

In addition to patent protection, as of 30 June 2025, the Issuer had more than 90 copyright registrations for its proprietary software code. It also relies upon unpatented trade secrets and confidential know-how and continuing technological innovation to develop and maintain its competitive position. The Issuer seeks to protect its proprietary information, in part, using confidentiality agreements with customers, scientific advisors, service providers, employees, and consultants, and invention assignment agreements with its employees and selected consultants, scientific advisors and collaborators.

The Issuer also owns numerous trademarks registered in China, the U.S. and foreign jurisdictions, including “XtalPi” and “晶泰科技”. The Issuer pursues additional trademark registrations to the extent the Issuer believes doing so will be beneficial to its competitive position.

As of 30 June 2025, the Issuer had not been involved in any material proceedings in respect of IP right infringement claims against it or initiated by it.

LICENCES, PERMITS AND APPROVALS

The Issuer is required to obtain permits, licences, approvals, filings and certifications for certain business operated by it from the relevant government authorities as required under PRC laws and regulations. As of 30 June 2025, the Issuer had obtained all licences, permits, approvals, filings and certifications that are material to its operations, and such licences, permits, approvals, filings and certifications all remain in full effect. As of 30 June 2025, the Issuer had not experienced any material difficulty in renewing such licences, permits, approvals and certificates. To the best of the Issuer’s knowledge, the Issuer currently does not expect to encounter any material difficulty in renewing them when they expire, if applicable, and no material unexpected or adverse changes have occurred since the date of their respective issuance.

COMPETITION

The global markets for drug and material science R&D and solid-state R&D are rapidly evolving and subject to intense competition as a result of technology innovation and shifting customer needs. Given its presence in China and globally, the Issuer faces potential competition from many different sources both locally and globally, while the solutions and applications offered by its competitors, including both AI-powered and traditional drug discovery solutions providers, vary in size, breadth and scope.

The Issuer’s proprietary integrated *in silico* and wet lab platform, technical expertise and technology innovation provide it with significant competitive advantages over existing and new entrants. While the Issuer competes competently on the basis of these factors, many emerging and established companies have also built upon their technologies and competencies in the business areas in which the Issuer operates:

- For its drug discovery solutions, the Issuer faces competition from many sources, including major pharmaceutical companies, specialist biotechnology and pharmaceutical companies, technology companies, academic institutions and government agencies, and public and private research institutions. In particular, it faces competition from competitors engaged in AI-powered early-stage drug R&D. Some of the Issuer’s competitors possess well-established capabilities in drug R&D and have long-standing relationships with many of the Issuer’s existing and potential collaborators and customers, including large biotechnology and pharmaceutical companies and academic institutions. The Issuer also faces competition from pharmaceutical companies that develop AI-powered drug R&D solutions internally, smaller companies that offer drug discovery solutions and services directed at more specific markets than the Issuer targets, as well as a large number of companies focused on applying AI and quantum physics-based computation technologies to drug discovery. However, only a few competitors possess both dry lab and wet lab capabilities, like the Issuer, who are more capable of further accelerating the drug discovery process.
- For its solid-state R&D, the Issuer faces competition from companies providing computational and/or experimental solid-state R&D services. This includes specialised solid-state CROs, other large CROs and AI-focused CROs. The Issuer also faces competition from pharmaceutical companies that develop solid-state R&D internally. However, only a few competitors incorporate both *in silico* prediction and wet lab experiment, like the Issuer, which are capable of offering more efficient solid state R&D services. Although the current market is still dominated by the traditional manual method providers, like specialised solid-state CROs and other large CROs, the market share of AI-focused service

providers is expected to grow due to the advantages of AI-based solid-state R&D services in terms of higher R&D efficiency and better quality.

BUSINESS DEVELOPMENT AND MARKETING

The Issuer's business development and marketing team consisted of approximately 45 members with relevant qualifications and experience in the pharmaceutical and material science industries, as of 30 June 2025. Its business development team leads the business development process from connecting with potential customers to the kick-off of its programmes for different business lines. Tasks include, but are not limited to, identifying potential customers and programmes, establishing and maintaining relationships with the Issuer's potential and existing biotechnology and pharmaceutical partners and research institutions, understanding its customers' business development objectives and challenges, assisting its R&D team in preparing and tailoring solutions, coordinating between its customers and its R&D team, and negotiating and finalising agreements.

The Issuer's marketing team creates marketing collateral and sales enablement tools and conducts multi-channel marketing campaigns to highlight the benefits and differentiated capabilities of its platform and establish collaborations and commercialise its drug or new materials discovery business, solid-state R&D services and other XtalPi R&D solutions, including by attending in-person and online events such as academic conferences and industry exhibitions, as well as leveraging word-of-mouth marketing from its past achievements and building up favourable industry reputation.

To support its business development and marketing efforts, the Issuer has also established a dedicated market analysis team. This specialised team focuses on forecasting industry trends, evaluating market prospects and carefully selecting and evaluating potential customers.

CUSTOMERS

The Issuer's customers comprise (i) ordinary customers to which the Issuer provides solutions and charges service fees, (ii) collaborators with which it jointly works on various therapeutic targets and shares economic interests, and (iii) collaborator-investees, which it invests in and provides solutions to. As of 30 June 2025, the Issuer's customers consisted primarily of China- and U.S.-based biotechnology and pharmaceutical companies. The revenues of the Group generated from its five largest customers in 2022, 2023, 2024 and the six months ended 30 June 2025 was RMB66.1 million, RMB63.3 million, RMB89.1 million and RMB398.8 million, respectively, representing approximately 49.6%, 36.3%, 33.4% and 77.1% of its total revenue in the same years, respectively.

EMPLOYEES

As of 30 June 2025, the Issuer had 1,054 employees.

To recruit new talent, the Issuer employs various means such as campus events and colleague referrals, which enables it to build and cultivate its own pool of skilled professionals. Its initiatives for talent retention encompass executive coaching, employee surveys or engagement, training and development, compensation and rewards.

To maintain the quality, knowledge and skill levels of its workforce, the Issuer provides continuing education and training programmes, both internally and externally, to enhance their technical, professional or management skills. It also conducts periodic trainings sessions to ensure their awareness and compliance with its policies and procedures in various aspects. Furthermore, it provides various incentives and benefits to its employees, including competitive salaries, bonuses and incentive schemes to its employees, particularly its key employees.

The Issuer's employees are represented by labour unions. The Issuer believes that it maintains a positive working relationship with its employees.

INSURANCE

The Issuer maintains insurance policies that are required under PRC laws and regulations, and based on its assessment of its operational needs and industry practice. As required by regulations in China, it participates in various employee social security plans that are organised by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds. In addition, the Issuer has also acquired commercial insurance policies for all employees as a supplemental employee benefit, such as term life insurance, accidental injury insurance, critical illness insurance, medical insurance, and traffic accident insurance. In the future, to the extent that any of the foregoing types of insurances becomes mandatory due to changes in law or other reasons, the Issuer will acquire such insurance to ensure continued compliance with the law.

As of 30 June 2025, the Issuer did not file any material insurance claims, nor did it encounter any material difficulties in renewing its insurance policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Issuer is committed to integrating environmental, social and governance (“**ESG**”) management into its daily operations, continuously saving energy, reducing emissions, and achieving green sustainable development through scientific and technological innovations. The Issuer regularly identifies and assesses its ESG-related risks, set the relevant ESG-related targets to continuously improve its ESG performance, and track its key ESG metrics with the oversight of the Board.

The Issuer operates its business in a manner that prioritises environmental (including climate-related) protection and ensures a safe workplace for its employees. To achieve this, the Issuer has implemented company-wide environmental, health and safety manuals, policies and standard operating procedures. The Issuer's focus on environmental, health and safety protection includes the following measures:

- (a) implementation of safety guidelines with respect to employee health and safety, environmental protection and operational safety in lab facilities and closely monitor internal compliance with these guidelines;
- (b) storage of hazardous wastes in special warehouses and contract with qualified third parties for the disposal of hazardous wastes on a quarterly basis;
- (c) conducting periodic environmental evaluations on greenhouse gas and pollutants detection and emissions, hazardous waste disposals, noise emissions and waste water detection and emissions to make sure all operations are in compliance with the applicable laws and regulations; and
- (d) resource conservation policies to reduce the levels of resource consumption.

The Issuer has adopted and maintained a series of rules, standard operating procedures and measures to maintain a safe and healthy working environment for its employees. The Issuer requires new employees to participate in safety training to familiarise themselves with the relevant safety rules and procedures. The Issuer also has policies in place and have adopted relevant measures to ensure the hygiene of its work environment and the health of its employees.

The Issuer is committed to the development of a diverse company culture and continually implement management practices that support diversity and provide fair treatment and employment opportunities for all

employees. The Issuer has an employee handbook and a transparent employee promotion system to protect the legal rights and interests of its employees and reasonably plan their professional development.

In terms of social responsibility, the Issuer's public relations department is responsible for disclosing its development and achievements, and actively communicating with the media, universities, governments, investors, public welfare organisations and other parties. The Issuer has carried out a number of activities in the fields of talent education and healthcare, and have provided support and assistance to the general public, university students and patients through diverse channels such as online platforms, research cooperation, social welfare organisations and science courses, with a view to understanding and discovering solutions to key social issues.

The Issuer actively participates in patient caring events in China, during which it provides care and fun activities and spend holidays together with the patients. To cultivate a robust talent pool within the biotechnology and pharmaceutical industries, the Issuer holds scientific seminars, provide professional guidance to potential youth, guide them to actively participate in pharmaceutical R&D programmes and promote their interest in the industry.

INFORMATION SECURITY AND PRIVACY PROTECTION

The Issuer has sole ownership of its data assets that are developed, generated and accumulated before the commencement of any R&D programmes. It also has sole ownership of the data developed, generated or accumulated independently outside of the R&D activities during the R&D process. If the data is developed, generated or accumulated jointly by its counterparty and the Issuer during the R&D process in connection with the relevant contract, its counterparty and the Issuer will typically have joint ownership of such data assets.

The Issuer collects, stores and processes pre-clinical dry lab and wet lab experimental data in the PRC and the U.S. in the local servers where such data is collected. As its business operations solely focus on pre-clinical studies, the Issuer does not handle, store, or have access to any human data. The Issuer is subject to the local data security laws and regulations where it collects, store and process data and have implemented strict data security policies and procedures to ensure that the collection, use, storage, transmission and dissemination of data in each jurisdiction in which it operates are in compliance with all material applicable laws and regulations.

Since 2019, its ISMS has obtained ISO 27001 certification from the United Kingdom Accreditation Service and China National Accreditation Service. Additionally, its drug discovery platform has received the Level 3 Certification of the "National Information System Security Level Protection" issued by the Ministry of Public Security of China.

PROPERTIES

Owned Properties

As of 30 June 2025, the Issuer did not own any real property.

Leased Properties

As of 30 June 2025, the Issuer leased properties in Shenzhen, Shanghai, Beijing, Guangzhou, Suzhou, Hong Kong, Liverpool and Cambridge, Massachusetts. Its headquarters is based in Shenzhen, China, where the Issuer has its main administrative offices and laboratories. The Issuer believes that its leased facilities meet its present needs and it regularly assesses its space requirements. If it needs to add or relocate to new facilities, or expand existing facilities to accommodate additional employees, the Issuer believes that suitable space will be available to accommodate its operations.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

As of 30 June 2025, there were no legal proceedings pending or threatened against the Issuer or its Directors that could, individually or in the aggregate, have a material adverse effect on its business, financial condition and results of operations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors and Senior Management

The following table sets forth information relating to the Issuer's directors and senior management as of the date of this Offering Circular. The business address for the Issuer's directors and senior management is Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

Name	Position
<i>Executive Directors</i>	
Dr. Wen Shuhao	Executive Director and Chairman of the Board
Dr. Ma Jian	Executive Director and Chief Executive Officer
Dr. Lai Lipeng	Executive Director and Chief Innovation Officer
Dr. Jiang Yide Alan	Executive Director and Chief Strategic Officer
<i>Independent Non-Executive Directors</i>	
Mr. Law Cheuk Kin Stephen	Independent Non-Executive Director
Ms. Chan Wing Ki	Independent Non-Executive Director
Mr. Chow Ming Sang	Independent Non-Executive Director
<i>Senior Management</i>	
Dr. Zhang Peiyu	Chief Scientific Officer

The responsibilities of the Issuer's board of directors are described in the Issuer's Memorandum and Articles of Association. The Issuer's directors and senior management are responsible for making and executing decisions that build value in accordance with board-approved delegated authorities.

The following is the biographical information of the Issuer's directors and senior management:

Dr. Wen Shuhao (溫書豪), aged 44, was appointed as a Director on 28 April 2017 and re-designated as the Issuer's executive Director and chairman of the board of directors on 27 November 2023. He is primarily responsible for overseeing the Issuer's overall global business management and the Issuer's strategies in the capital markets. Dr. Wen has also contributed to the Issuer's cooperation with world-leading research institutes and biotechnology and pharmaceutical companies.

Prior to founding the Issuer, from February 2010 to April 2013, Dr. Wen worked as a postdoctoral research scholar at the University of California at Riverside. He worked as a postdoctoral associate at the Massachusetts Institute of Technology from April 2013 to February 2015.

Dr. Wen obtained his bachelor's degree in electronic science and technology from Dalian University of Technology in the PRC in June 2004. Dr. Wen obtained his master's degree in physical chemistry from the University of Science and Technology of China in the PRC in June 2005. Dr. Wen obtained his Ph.D. degree in physical chemistry from Dalian Institute of Chemical Physics, Chinese Academy of Sciences in the PRC in January 2010. Dr. Wen is a published quantum physicist with over 14 years of research experiences in the field of computational physics and quantum chemistry and has published 36 papers with more than 2,100 citations. In 2020, Dr. Wen was awarded as one of "Fortune's 40 Business

Elites Under 40 in China.” In April 2023, Dr. Wen was award as one of the “Shenzhen Top Ten Outstanding Young Entrepreneurs.”

Dr. Ma Jian (馬健), aged 41, was appointed as a Director on 28 April 2017 and re-designated as the Issuer’s executive Director and Chief Executive Officer on 27 November 2023. He is primarily responsible for overseeing the Issuer’s overall operation and management.

Prior to founding the Issuer, Dr. Ma completed his postdoctoral research at the Massachusetts Institute of Technology in June 2014.

Dr. Ma obtained his bachelor’s and Ph.D. degree in physics from Zhejiang University (浙江大學) in the PRC in June 2007 and June 2012, respectively. Dr. Ma has published 30 papers in international leading scientific journals, including Physics Reports, Physical Review and Journal of Chemical Physics. Dr. Ma was honoured as “Innovators Under 35” by MIT Technology Review in 2019. Dr. Ma is also recognised as a Shenzhen regional leading talent (深圳市地方級領軍人才) and Shenzhen overseas high-calibre personnel (深圳市海外高層次人才).

Dr. Lai Lipeng (賴力鵬), aged 42, was appointed as a Director on 28 April 2017 and re-designated as the Issuer’s executive Director and Chief Innovation Officer on 27 November 2023. He is primarily responsible for overseeing the Issuer’s artificial intelligence development.

Prior to founding the Issuer, from April 2012 to August 2012, he served as a software developer at Epic Systems Corporation. From September 2012 to September 2014, Dr. Lai served as a postdoctoral associate at the Singapore University of Technology and Design-Massachusetts Institute of Technology Graduate Fellows Program.

Dr. Lai obtained his bachelor’s double degree in physics and mathematics from Peking University in the PRC in July 2006. Dr. Lai obtained his master’s and Ph.D. degree in physics from the University of Chicago in December 2007 and March 2012, respectively. Dr. Lai has published multiple papers in leading journals, including Physical Review Letters, and is recognised as a Shenzhen overseas high-calibre personnel (深圳市海外高層次人才).

Dr. Jiang Yide Alan, aged 61, was appointed as a Director on 17 November 2017 and re-designated as the Issuer’s executive Director and Chief Strategic Officer on 27 November 2023. He is primarily responsible for overseeing the Issuer’s strategic development including identification of growth opportunities, strategic planning and execution.

Dr. Jiang has over 20 years of experience in scientific and research management. From July 2001 to July 2016, Dr. Jiang worked at Sanofi-Genzyme R&D Centre with his last position held as the director of Asia R&D Strategy, where he was responsible for the development of Genzyme Asia/China R&D strategy and led cross-functional R&D external collaborations and projects in Asia. Dr. Jiang was a key member of the Translational Medicine team and focused on strategic implementation of pharmacogenomics and biomarker in early clinical development.

Dr. Jiang obtained his bachelor’s degree in medicine from Shanghai Medical College, Fudan University (formerly known as Shanghai Medical University) in the PRC in July 1987. He obtained his Ph.D. degree in molecular biology from University of Tennessee in the United States in June 1999. He completed his post-doctoral research in haematology and oncology at Brigham & Women’s Hospital, Harvard Medical School in the United States in June 2001.

Mr. Law Cheuk Kin Stephen (羅卓堅), aged 63, was appointed as an independent non-executive Director on May 28, 2024. He is responsible for providing independent judgment on strategy, policy, performance, accountability, internal control and corporate governance.

Mr. Law worked at Wheelock Pacific Limited, a subsidiary of Wheelock and Company Limited (會德豐有限公司), a company formerly listed on the Stock Exchange (stock code: 0020) from February 1995 to July 1997, i-CABLE Communications Limited, a company listed on the Stock Exchange (stock code: 1097) from July 1997 to 2000, Morningside Technologies Inc., part of the Morningside Group (晨興創投集團) from 2000 to 2006, and TPG Growth

Capital (Asia) Limited from July 2006 to September 2012, where he last served as a managing director. Mr. Law served as the chief financial officer of Guoco Group Limited (國浩集團有限公司), a company listed on the Stock Exchange (stock code: 0053) from October 2012 to June 2013, the finance director of MTR Corporation Ltd., a company listed on the Stock Exchange (stock code: 0066) from July 2013 to July 2016, an adjunct professor of the Hong Kong Polytechnic University from 2015 to 2017, an independent non-executive director of AAG Energy Holdings Limited (亞美能源控股有限公司), a company listed on the Stock Exchange (stock code: 2686) from July 2016 to September 2018, and an independent non-executive director of Stealth BioTherapeutics Inc., a company listed on NASDAQ (ticker symbol: MITO) from June 2018 to July 2019. From 1 November 2018 to 25 August 2022, Mr. Law has served as an independent non-executive director of Bank of Guizhou Co., Ltd, a company listed on the Stock Exchange (stock code: 6199). He has been the managing director and a responsible officer of ZhongYi Investment Managers Limited since January 2021.

Mr. Law obtained his bachelor's degree in civil engineering from the University of Birmingham in the United Kingdom in July 1984 and master's degree in business administration from the University of Hull in the United Kingdom in July 1996. Mr. Law is the vice president and a council member of the Hong Kong Institute of Certified Public Accountants. Mr. Law is also a member of the Institute of Chartered Accountants in England and Wales and an expert accounting consultant appointed by the Ministry of Finance of the PRC. Mr. Law has accounting qualifications in Hong Kong and the United Kingdom. Mr. Law was appointed as the Justice of the Peace by the Government of the Hong Kong Special Administrative Region in July 2022 and he was appointed as a CPPCC National Committee Member in January 2023. The HKSAR Government announced on 21 March 2025 that Mr. Law has been appointed as one of the new directors of Hong Kong Cyberport Management Company Limited for a two-year term from 1 April 2025 to 31 March 2027.

Mr. Law has directorships in certain Hong Kong listed companies. He is currently an independent non-executive director of each of China Everbright Limited (stock code: 165), Somerley Capital Holdings Limited (stock code: 8439), CSPC Pharmaceutical Group Limited (stock code: 1093), China Galaxy Securities Co., Ltd. (stock code: 6881) and Keymed Biosciences Inc (stock code: 2162).

Ms. Chan Wing Ki (陳穎琪), aged 41, was appointed as an independent non-executive Director on May 28, 2024. She is responsible for providing independent judgment on strategy, policy, performance, accountability, internal control and corporate governance.

Ms. Chan has over 10 years of legal and corporate governance experience. From September 2008 to September 2011, Ms. Chan worked at Allen & Overy with her last position as an associate. From October 2011 to June 2016, she worked at Davis Polk & Wardwell as an associate. Ms. Chan worked at King & Wood Mallesons as a managing associate from January 2017 to May 2017, and worked at Latham & Watkins as an associate from July 2017 to April 2018. From May 2018 to April 2021, she worked for Xiaomi Corporation, a company listed on the Stock Exchange (stock code: 1810), with her last position as the head of legal and finance and joint company secretary. From May 2021 to June 2021, she worked at Kuaishou Technology as a senior director of the company secretary department. From June 2021 to September 2022, she worked at ECARX Holdings Inc., a company listed on Nasdaq (ticker symbol: ECX), as the secretary to the board. From October 2022 to November 2025, she served as the group general counsel and company secretary of China Gas Holdings Limited, a company listed on the Stock Exchange (stock code: 384).

Ms. Chan obtained her bachelor's degree in business administration (law) and a bachelor's degree in law from The University of Hong Kong in 2006 and 2007, respectively. Ms. Chan was admitted as a solicitor of Hong Kong by the High Court of Hong Kong in January 2011, and as an attorney of the State of New York, United States, in January 2019. On 15 August 2024, Ms. Chan was awarded the title of Certified Environmental, Social and Governance Analyst CESGA by The European Federation of Financial Analysts Societies. Ms. Chan served as a member of the General Committee of The Chamber of Hong Kong Listed Companies from June 2024 to June 2025. Ms Chan is currently serving as an independent non-executive director of Butong Group a company listed on the Stock Exchange (stock code: 6900) since September 2025.

Mr. Chow Ming Sang (周明笙), aged 52, was appointed as an independent non-executive Director on 28 May 2024. He is responsible for providing independent judgment on strategy, policy, performance, accountability, internal control and corporate governance.

Mr. Chow has over 29 years of experience in accounting, corporate financial management and corporate governance. From January 2007 to September 2018, he served as an advisory partner of Ernst & Young (China) Advisory Limited (安永(中國)企業諮詢有限公司), where he was primarily responsible for managing the risk advisory sub-service line's strategic growth and development in various regions of the PRC. From September 2018 to June 2019, he served as the general manager of risk & control department of Tahoe Group, Beijing Branch (泰禾集團股份有限公司北京分公司), a property developer in the PRC, whose shares were previously listed on the Shenzhen Stock Exchange (stock code: 000732), where he was primarily responsible for risk management of the company. Since July 2019, Mr. Chow has been serving as a managing director of Beijing Xinshi Anye Management Consulting Co., Ltd. (北京信實安業管理諮詢有限公司), a consulting firm in the PRC, where he has been primarily responsible for strategic planning and the overall management of the company. Since 21 December 2023, has been serving as an independent director of Muyuan Foods Co., Ltd. (牧原食品股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 002714).

From 2014 to 2016, Mr. Chow was the Committee Member of The Internal Controls General Standards Committee of The Ministry of Finance (PRC) (中國財政部內部控制標準委員會委員).

Mr. Chow obtained his bachelor's degree in accounting from the Hong Kong University of Science and Technology in Hong Kong in November 1995. He has been a Certified Internal Auditor since November 2003 and received the Certification of Fund Practice Qualification from the Asset Management Association of China in April 2019. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. Chow has directorships in certain Hong Kong listed companies. He is currently an independent non-executive director of each of China Modern Dairy Holdings Ltd. (stock code: 1117), Redco Healthy Living Company Limited (stock code: 2370) and China Maple Leaf Educational Systems Limited (stock code: 1317). With effect from 31 August 2025, Mr. Chow resigned as an independent non-executive director of Teamway International Group Holdings Limited, a company listed on the Stock Exchange (stock code: 1239).

Dr. Zhang Peiyu (張佩宇), aged 42, is the Chief Scientific Officer and is primarily responsible for overseeing the Issuer's scientific research operations.

Prior to joining the Issuer in September 2015, Dr. Zhang was appointed as an associate researcher in July 2013 at Dalian Institute of Chemical Physics, Chinese Academy of Sciences.

Dr. Zhang obtained his bachelor's degree in electronic science from Dalian University of Technology in the PRC in July 2004. He obtained his Ph.D. degree in physical chemistry from Dalian Institute of Chemical Physics, Chinese Academy of Sciences in the PRC in January 2011.

Board of Directors

The Issuer's Memorandum and Articles of Association outline the manner in which the board of directors' constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance, best corporate governance practice and applicable laws. The Issuer's Memorandum and Articles of Association are publicly available on the Issuer's website at <https://en.xtalpi.com/> and defines the role and responsibilities of the board of directors, and responsibilities delegated by the board of directors to management.

Board Committees

To assist with the effective discharge of its duties, the Issuer's board of directors has established an Audit Committee, a Remuneration Committee and a Nomination Committee. Each committee operates in accordance with the terms of reference established by the Issuer's board of directors, which sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership, committee structure and operations and committee reporting to the Issuer's board of directors.

Audit Committee

The Issuer established an Audit Committee on 28 May 2024 with its written terms of reference in compliance with the Rule 3.21 of the Listing Rules and paragraphs D.3.3 and D.3.7 of Part 2 of the Corporate Governance Code. The Audit Committee comprises three members and all are independent non-executive Directors, which include Mr. Law Cheuk Kin Stephen, Ms. Chan Wing Ki and Mr. Chow Ming Sang. Mr. Law Cheuk Kin Stephen is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control system of the Issuer, maintaining an appropriate relationship with the auditors and monitoring the relationship between the Issuer and its auditors, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The written terms of reference of the Audit Committee are available on the respective websites of the Hong Kong Stock Exchange and the Issuer.

Remuneration Committee

The Issuer has established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and code provision E.1.2 of Part 2 of the Corporate Governance Code. The remuneration committee consists of Mr. Law Cheuk Kin Stephen, Dr. Ma Jian and Mr. Chow Ming Sang, with Mr. Law Cheuk Kin Stephen as the chairman.

The primary duties of the remuneration committee include, but are not limited to, the following: (i) making recommendations to the Issuer's Board on its policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Issuer's Board from time to time; and (iv) reviewing and approving matters relating to share schemes of the Issuer.

Nomination Committee

The Issuer has established a nomination committee with written terms of reference in compliance with 3.27A of the Listing Rules and code provision of B.3.1 of Part 2 of the Corporate Governance Code. The nomination committee consists of Dr. Wen Shuhao, Mr. Law Cheuk Kin Stephen and Ms. Chan Wing Ki with Dr. Wen Shuhao as the chairman.

The primary duties of the nomination committee are to (i) review the structure, size and composition of the Issuer's Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of the Issuer's Board; (ii) identify, select or making recommendations to the Issuer's Board on the selection of individuals nominated for directorship, and ensure the diversity of the Issuer's Board members; (iii) perform review on the contributions made by the Issuer's Directors (including the Issuer's independent non-executive Directors) and the sufficiency of time devoted to perform their duties; (iv) assess the independence of the Issuer's independent non-executive Directors; and (v) make recommendations to the Issuer's Board on relevant matters relating to the

appointment, re-appointment and removal of the Issuer's Directors and succession planning for the Issuer's Directors (in particular the chairman of the Issuer's Board and the chief executive).

Corporate Governance

The Issuer's board of directors is committed to achieving and demonstrating standards of corporate governance appropriate to its size and operations in accordance with the Corporate Governance Code. The Issuer refines and improves its governance framework and practices to ensure that they meet the interests of its shareholders and other key stakeholders. A summary of the Issuer's corporate governance practices is publicly available on the Issuer's website at <https://en.xtalpi.com/>.

Remuneration of Directors

The Issuer's Directors receive compensation in the form of fees, salaries, bonuses, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions and equity-settled share-based payment. Details of the Issuer's remuneration policies and practices, together with the remuneration arrangements of the Issuer's directors and senior management, are set out in the Issuer's 2024 Annual Report, available on the Issuer's website at <https://en.xtalpi.com/> and on the Hong Kong Stock Exchange.

The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Issuer's board of directors will review and determine the remuneration and compensation package of the Issuer's Directors and senior management and receives recommendations from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Issuer's Directors and the Issuer's performance.

For the year ended 31 December 2024, remuneration (including share based compensation) by band of the senior management of the Issuer were as follows:

Remuneration band (HK\$)	Number of senior management
HK\$3,000,001 to HK\$3,500,000	1
HK\$5,500,001 to HK\$6,000,000	1

MARKET PRICE INFORMATION

The Shares have been listed on Main Board of the Hong Kong Stock Exchange (Code: 2228) since 13 June 2024. Prior to that time, there was no public market for the Shares.

The table below sets forth, for the periods indicated, the high and low closing prices per Share, as reported on the Hong Kong Stock Exchange:

Year	Closing Share Price	
	High	Low
	(HK\$)	(HK\$)
2023		
First quarter ended 31 March 2023	N/A	N/A
Second quarter ended 30 June 2023.....	N/A	N/A
Third quarter ended 30 September 2023.....	N/A	N/A
Fourth quarter ended 31 December 2023.....	N/A	N/A
2024		
First quarter ended 31 March 2024	N/A	N/A
Second quarter ended 30 June 2024	5.80	5.28
Third quarter ended 30 September 2024	15.60	5.10
Fourth quarter ended 31 December 2024.....	12.34	3.26
2025		
First quarter ended 31 March 2025	8.47	4.31
Second quarter ended 30 June 2025	6.11	3.97
Third quarter ended 30 September 2025	14.22	5.35
Fourth quarter ended 31 December 2025.....	14.87	9.13
2026		
January (to 7 January).....	11.54	9.99

DIVIDENDS

Due to the stage of growth of the Issuer and its corporate objective of building and investing in its operations for the future, the Issuer has not declared or paid any cash dividends on its ordinary shares and does not currently intend to do so for the foreseeable future. The Issuer currently intends to invest its future earnings, if any, to fund its operations and pipeline development activities and build the capabilities of its business to drive growth and value accretion. Future dividends, if any, on the Issuer's outstanding ordinary shares will be declared by and subject to the discretion of its board of directors and subject to applicable Hong Kong law.

SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

The below table provides information with respect to the direct or indirect interests in respect of the Issuer's ordinary shares as of 30 June 2025, for:

- each person or group of affiliated persons known by the Issuer to beneficially own more than 10% of the Issuer's ordinary shares; and
- each of the Issuer's directors.

The Issuer has determined direct or indirect interest in accordance with the Securities and Futures Ordinance or the Hong Kong Stock Exchange requirements.

Unless otherwise indicated, the address of each Director listed below is Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

Name of Director	Capacity/Nature of Interest	Number of Ordinary Shares	Percentage of shareholding in the Issuer⁽¹⁾
Dr. Wen Shuhao	Beneficial owner	81,093,362	2.02%
	Founder of trust	222,126,400	5.53%
	Interest in controlled corporation	447,615,658	11.14%
Dr. Ma Jian	Beneficial owner	45,230,342	1.13%
	Founder of trust	122,908,500	3.06%
	Interest in controlled corporation	59,103,125	1.47%
Dr. Lai Lipeng	Beneficial owner	32,315,661	0.80%
	Founder of trust	87,814,140	2.18%
Dr. Jiang Yide Alan	Beneficial owner	3,800,000	0.09%
	Founder of trust	3,800,000	0.09%
	Interest in controlled corporation	2,400,000	0.06%
Mr. Law Cheuk Kin Stephen	Beneficiary of trust	900,000	0.02%
Ms. Chan Wing Ki	Beneficiary of trust	450,000	0.01%
Mr. Chow Ming Sang	Beneficiary of trust	450,000	0.01%

Note:

(1) Calculated based on 4,019,811,761 shares in issue as of 30 June 2025.

The table below sets forth the Issuer's shareholders who beneficially own more than 5% of the Issuer's ordinary shares as of 30 June 2025.

Rank	Name	Number of Ordinary Shares	Percentage of shareholding (%) ⁽¹⁾
1	WSH Family Holdings Limited	669,742,058	16.66%
2	TMF (Cayman) Ltd.	669,742,058	16.66%
3	QuantumPharm Holdings Limited	669,742,058	16.66%
4	QuantumPharm Roc Holdings Limited	236,893,018	5.89%
5	5Y Capital GP Limited	229,291,801	5.70%
9	Liu Qin	229,291,801	5.70%
10	Ni Yuanyuan	229,291,801	5.70%

Note:

(1) Calculated based on 4,019,811,761 shares in issue as of 30 June 2025.

DESCRIPTION OF THE SHARES

Set forth below is a summary of the material terms of the articles of association of the Issuer (the “Articles”) insofar as they relate to the material terms of the Issuer’s ordinary shares. For the complete and full version of the Articles, please refer to the Issuer Articles available on the website of the Hong Kong Stock Exchange.

INTRODUCTION

As of 30 June 2025, the total share capital of the Issuer was U.S.\$40,198.12 (around RMB280,000), comprising 4,019,811,761 ordinary shares at a par value of U.S.\$0.00001 per share. The Issuer does not have any preference shares or other classes of shares in issue.

ALTERATION OF CAPITAL

The Issuer may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “Companies Ordinance”):

- (i) increase its share capital by such sum as the ordinary resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Issuer in general meeting may determine;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Issuer for the Issuer’s benefit;
- (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled; and
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Issuer’s memorandum of association or into shares without par value.

The Issuer may by special resolution reduce its share capital in any manner authorized and subject to any conditions prescribed by law.

TRANSFERS OF SHARES

All transfers of shares may be effected by transfer in writing in any standard form of transfer as prescribed by the Stock Exchange or in such other form as the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof, provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case which they think fit in their discretion to do so. The instrument of transfer of any Share shall be executed with a manual signature or a facsimile signature (which may be machine printed or otherwise) by or on behalf of the transferor and the transferee, provided that in the case of execution by facsimile signature by or on behalf of a transferor or transferee, the Directors shall have previously been provided with a list of specimen signatures of the authorised signatories of such transferor or transferee and the Directors shall be reasonably satisfied that such facsimile signature corresponds to one of those specimen signatures. All instruments of transfer must be kept at the registered office or at such other place as the Directors may appoint.

The Directors may, in their absolute discretion, refuse to register a transfer of any share which is not fully paid up or on which the Issuer has a lien. If the Directors refuse to register a transfer they shall notify the transferor and the transferee within two months of such refusal.

The Directors may also decline to register a transfer of any share unless:

- (a) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Issuer in respect of the registration;
- (b) the instrument of transfer is lodged with the Issuer accompanied by the certificate for the shares to which it relates (which shall upon registration of the transfer be cancelled), and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (c) the instrument of transfer is in respect of only one class of shares;
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is transferred does not exceed four;
- (e) the shares concerned are free of any lien in favour of the Issuer; and
- (f) the instrument of transfer is properly stamped (in circumstances where stamping is required).

The registration of transfers may be suspended and the register closed at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year or, with the approval of the Issuer in a general meeting, 60 days in any year.

GENERAL MEETINGS

The Issuer shall hold a general meeting as its annual general meeting for each financial year within six months (or such other period as may be permitted by the Stock Exchange) after the end of such financial year. An annual general meeting shall be specified as such in the notices calling it, and shall be held at such time and place as the Directors shall appoint.

The Directors may, whenever they think fit, and shall on requisition in accordance with the Companies Ordinance, proceed to convene a general meeting other than an annual general meeting.

Subject to the Companies Ordinance and the Listing Rules:

- (a) an annual general meeting shall be called by at least 21 clear days' prior notice in writing;
- (b) a general meeting other than an annual general meeting shall be called by at least 14 clear days' prior notice in writing;
- (c) the notice shall be exclusive of:
 - (i) the day on which it is served or deemed to be served; and
 - (ii) the day on which it is given;
- (d) the notice must:
 - (i) specify the date and time of the meeting;
 - (ii) specify the physical venue(s) of the meeting and/or the virtual meeting technology to be used for holding the meeting (as applicable) (and if two or more physical venues are specified, the principal venue of the meeting and the other venue or venues of the meeting);
 - (i) state the general nature of the business to be dealt with at the meeting; and

- (ii) for a notice calling an annual general meeting, state that the meeting is an annual general meeting.

- (e) despite the fact that a general meeting is called by shorter notice than that specified in the Articles, it is regarded as having been duly called if it is so agreed:
 - (i) for an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (ii) in any other case, by a majority in number of the members entitled to attend and vote at the meeting, being a majority together representing at least 95% of the total unsuspended voting rights at the meeting of all the members.

The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive such notice shall not invalidate any resolution passed or any proceeding at any such meeting.

For all purposes the quorum for a general meeting shall be two members present in person or by proxy. No business shall be transacted at any general meeting unless a quorum is present.

VOTES OF MEMBERS

Subject to the articles of association and to any rights or restrictions attached to any shares, at any general meeting every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have (a) the right to speak; (b) one vote on a show of hands; and (c) one vote for every share of which they are the holder on a poll. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Votes (whether on a show of hands or a poll) may be cast by such means, electronic or otherwise, as the Directors or the Chairman of the meeting may determine.

Save as expressly provided in the Articles, no person other than a member duly registered and who shall have paid everything for the time being due from him and payable to the Issuer in respect of his shares and is entitled to attend and vote shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum (save as proxy for another member), at any general meeting. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered. Any vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman presiding at the meeting, whose decision shall be final and conclusive.

Where the Issuer is of the view that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Any member of the Issuer entitled to attend and vote at a meeting of the Issuer or a meeting of the holder of any class of shares in the Issuer shall be entitled to appoint another person as his proxy to attend and to speak and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Issuer. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion.

Any corporation which is a member of the Issuer may by resolution of its directors or other governing body or by power of attorney, authorize such person as it thinks fit to act as its representative at any meeting of the Issuer or of any class of members of the Issuer, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Issuer.

DIVIDENDS

The Issuer in a general meeting may declare dividends in any currency, but no dividends shall exceed the amount recommended by the Directors.

The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Issuer, and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Issuer is divided into different classes, the Directors may pay such interim dividends

in respect of those shares in the capital of the Issuer which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors acts bona fide the Directors shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.

No dividend shall be payable except out of the profits of the Issuer in accordance with the articles of association. No dividend shall carry interest.

Whenever the Directors or the Issuer in a general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares or other securities of the Issuer or any other Issuer, or in any one or more of such ways, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the dividend distribution, the Directors may settle the same as it thinks expedient, and in particular may disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any member upon the determination of the value so fixed in order to adjust the rights of all parties, and may vest such specific assets in trustees as may seem expedient to the Directors Whenever the Directors or the Issuer in a general meeting have resolved that a dividend be paid or declared on the share capital of the Issuer, the Directors may further resolve: (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; and (ii) that the shareholders entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. Any allotment of shares as prescribed above shall be subject to members' approval pursuant to the Companies Ordinance, and such shares allotted shall rank pari passu in all respects with the shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend. The Directors may do all acts and things considered necessary or expedient to give effect to any capitalization, with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions. The Directors may authorize any person to enter into, on behalf of all members interested, an agreement with the Issuer providing for such capitalization and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned. Notwithstanding the above, the Issuer may upon the recommendation of the Directors by ordinary resolution resolve in respect of any particular dividend of the Issuer that a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

All dividends or bonuses unclaimed for six months after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Issuer until claimed and the Issuer shall not be constituted a trustee in respect thereof for any profit or benefit derived therefrom. All dividends or bonuses unclaimed for six years after having been declared may be declared forfeited by the Directors and shall revert to the Issuer.

RESERVES

The Directors may, before recommending any dividend, set aside out of the profits of the Issuer such sums as it thinks fit as a reserve or reserves which shall, in the discretion of the Directors, be applicable for any purpose to which the profits of the Issuer may be properly applied, and pending such application may, in the like discretion, either be employed in the business of the Issuer or be invested in such investments (other than shares of the Issuer) as the Directors may from time to time think fit.

VARIATION OF RIGHTS

If at any time the share capital of the Issuer is divided into different classes of Shares, all or any of the rights attached to any class for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Issuer is being wound up, be varied only with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class, or with the approval of a resolution passed by a majority of not less than three-fourths of the votes cast at a separate meeting of the holders of the shares of that class.

To any such meeting all the provisions of the Articles relating to general meetings shall apply mutatis mutandis, except that the necessary quorum shall be one or more persons holding or representing by proxy or duly authorised representative at least one-third of the voting rights of the issued shares of that class. The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

REPURCHASE OF SHARES

Subject to the provisions of the Companies Ordinance, the Issuer may purchase its own shares (including any redeemable shares) provided that (a) the manner of purchase has first been authorised by an ordinary resolution, and (b) any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

UNTRACEABLE SHARES

The Issuer has the power to sell, in such manner as the Directors thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:

- (a) all cheques or warrants, being not less than three in total number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years;
- (b) so far as it is aware at the end of the relevant period, the Issuer has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (c) the Issuer has caused an advertisement to be presented in the Newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Issuer by electronic means as provided in the Articles, giving notice of its intention to sell such shares and has notified the Hong Kong Stock Exchange of such intention and a period of three months has elapsed since the date of such advertisement.

For the purpose of the foregoing, "relevant period" means the period commencing 12 years before the date of publication of the advertisement referred to in paragraph (c) above and ending at the expiry of the period referred to in that paragraph. To give effect to any such sale, the Directors may authorize any person to transfer the said shares and instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Issuer and upon receipt by the Issuer of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Issuer shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Issuer or as it thinks fit. Any sale hereunder shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

INFORMATION

Subject to the Companies Ordinance and the Listing Rules, no member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Issuer's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Issuer and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Issuer to communicate to the public.

ACCOUNTS

The Directors shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations, the accounting or other records or documents of the Issuer, or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any such document of the Issuer, except as conferred by the Companies Ordinance or authorised by the Directors or by the Issuer in a general meeting.

WINDING UP

If the Issuer is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may with the authority of a special resolution and any other sanction required by the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), divide among the members in specie or kind the whole or any part of the assets of the Issuer and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Issuer may be closed and the Issuer dissolved, but so that no contributory shall be compelled to accept any shares or other assets in respect of which there is a liability.

TAXATION

The following summary of certain Cayman Islands, PRC and Hong Kong tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Bonds or any person acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds.

Persons considering the purchase of the Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Bonds.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Bonds. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under the laws of the Cayman Islands, payments of interest and principal on the Bonds will not be subject to taxation and no withholding will be required on the payment of interest and principal or premium to any holder of the Bonds nor will gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. The Cayman Islands is a party to a double taxation treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double taxation treaties.

No stamp duty is payable in respect of the Bonds provided that they are issued, executed and remain outside the jurisdiction of the Cayman Islands.

PRC

The following summary of certain PRC tax consequences of the purchase, ownership and disposition of Bonds is based upon applicable laws, rules and regulations in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Income Tax

Pursuant to the EIT Law effective on 1 January 2008 and latest amended on 29 December 2018 and the Individual Income Tax Law of the PRC latest amended on 31 August 2018 and effective on 1 January 2019 (the “**IIT Law**”) and their implementation rules respectively, an income tax is imposed on the interests by way of withholding in respect of the bonds, and is paid by the Issuer (if such interests are regarded as income derived from sources within the PRC under the EIT Law or the IIT Law, as the case may be) to non-resident

bondholders, including non-resident enterprises and non-resident individuals. The current rates of such income tax are 20% (for non-resident individuals) and 10% (for non-resident enterprises) of the gross amount of the interests, unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as incomes derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise which is established under the laws of a jurisdiction other than the PRC, whose actual administrative organisation is not in the PRC, and which has established offices or premises in the PRC or has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax under the IIT Law and its implementation rules. If such gains are subject to PRC income tax, the 10% enterprise income tax rate and 20% individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

If the PRC tax authority views the Issuer's payment as an interest income arising within the territory of the PRC, the Issuer might need to withhold PRC income tax on payments with respect to the Bonds to non-PRC resident enterprises bondholders at the rate of 10% and to non-PRC resident individuals bondholders at a rate of 20%, unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

Value-add Tax

According to the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知) (“**Circular 36**”), the entities and individuals providing services within the PRC shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refer to the activity of lending capital for another’s use and receiving the interest income thereon. It is not clear from the interpretation of Circular 36 whether the provision of loans to the Issuer could be considered as services provided within the PRC which could be regarded as the provision of financial services subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as resident enterprises under the EIT Law. PRC tax authorities could take the view that the Bondholders are providing loans within the PRC because the Issuer is treated as PRC tax residents. In which case, the issuance of the Bonds could be regarded as the provision of financial services within the PRC that is subject to VAT.

Stamp duty

No PRC stamp duty will be chargeable upon the issue or transfer of the Bonds (as long as the register of Bondholders is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC).

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest (if any) on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest (if any) on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest (if any) on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest (if any) on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest (if any) on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “IRO”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest (if any) on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Lead Managers dated 7 January 2026 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Lead Managers, and the Lead Managers have agreed to severally and not jointly subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite their respective names below.

	Principal amount of the Bonds to be subscribed (HK\$)
J.P. Morgan Securities (Asia Pacific) Limited	1,289,700,000
Goldman Sachs (Asia) L.L.C.	1,003,100,000
Merrill Lynch (Asia Pacific) Limited	573,200,000
Total	2,866,000,000

The Subscription Agreement provides that the Issuer will indemnify the Lead Managers and their affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Lead Managers are subject to certain conditions precedent and entitles the Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Lead Managers or their respective affiliates may purchase the Bonds or the Shares for their own account and enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swaps relating to the Bonds or the Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds or the Shares to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchaser of the Bonds). The Lead Managers or their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries or affiliates from time to time. The Lead Managers may receive customary fees and commissions for these transactions. The Lead Managers or certain of their respective affiliates may purchase Bonds or the Shares and be allocated Bonds or the Shares for asset management and/or proprietary purposes but not with a view to distribution. In addition to the transactions noted above, the Lead Managers and their respective affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer or its subsidiaries or affiliates in the ordinary course of their business. In addition, the Lead Managers and certain of their respective subsidiaries and affiliates of the Lead Managers may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisers.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer and the Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

The Issuer has agreed in the Subscription Agreement that neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights

to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds and (ii) the issuance of the New Shares as a result of conversion of the Bonds or (iii) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Issuer pursuant to any employee share scheme or plan existing as at the date of the Subscription Agreement.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMI (including private banks): This notice to CMI (including private banks) is a summary of certain obligations the SFC Code imposes on CMI. The CMI may also be acting as OC for this offering and are subject to additional requirements under the SFC Code.

Paragraph 21.3.3(c) of the Code requires that a CMI should take all reasonable steps to identify whether investors may have any associations with the Issuer and provide sufficient information to the OCs to enable them to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMI should specifically disclose whether its investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Lead Managers accordingly.

CMI is informed that the marketing and investor targeting strategy for this offering includes institutional investors, long-only/outright investors, sovereign wealth funds, pension funds, hedge funds, corporates, private banks/broking companies, family offices and high net worth individuals, index funds, fundamental hedge funds, China funds, private equity funds and venture capital funds, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMI should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders. CMI should enquire with its investor clients regarding any orders which appear unusual or irregular. CMI should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to the OC when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI should not place “X-orders” into the order book.

CMI should segregate and clearly identify its own proprietary orders (and those of its group companies, including private banks as the case may be) in the order book and book messages.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Lead Managers in control of the order book should consider disclosing order book updates to the CMI.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

In relation to omnibus orders, when submitting such orders, CMI (including private banks) that is subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to Asian_ECM_Syndicate@jpmorgan.com.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OC; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OC. By submitting an order and providing such information to the OC, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OC and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMI that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI (including private banks) are required to provide the Lead Managers with such evidence within the timeline requested.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

UNITED STATES

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds and the Shares to be issued upon conversion of the Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds or the Shares to be issued upon conversion of the Bonds within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

PROHIBITION OF SALES TO THE EEA RETAIL INVESTORS

Each of the Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each of the Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”).

UNITED KINGDOM

Each of the Lead Managers has represented and agreed that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

HONG KONG

Each of the Lead Managers has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

PRC

Each of the Lead Managers has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People’s Republic of China.

SINGAPORE

Each of the Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Lead Managers has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

CAYMAN ISLANDS

Each of the Lead Managers represents, warrants and agrees that it has not made and will not offer, sell or make any invitation, whether directly or indirectly, to the public in the Cayman Islands to subscribe for any of the Bonds.

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream. The Legal Entity Identifier of the Issuer is 8368004IS42UJ5SVEV76. The Common Code of the Bonds is 326787299 and the International Securities Identification Number of the Bonds is XS3267872995.
2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Bonds. The issue of the Bonds was authorised by board resolutions of the Issuer passed on 7 January 2026. The Issuer will execute and deliver each of the Trust Deed and the Agency Agreement and perform its obligations thereunder, to issue, sell and deliver the Bonds as contemplated under the Subscription Agreement.
3. **No Material Adverse Change:** There has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or otherwise), trading position, prospects, results of operations, business or general affairs of the Issuer since 30 June 2025.
4. **Litigation:** The Issuer may from time to time be involved in contractual disputes or legal proceedings arising out of the ordinary course of business or otherwise. As at the date of this Offering Circular, there were no pending actions, suits or proceedings against or affecting the Issuer or any other member of the Group or any of their respective properties, which if determined adversely to the Issuer or any other member of the Group would individually or in the aggregate adversely affect the ability of the Issuer or to perform its obligations under the Subscription Agreement, the Trust Deed, the Agency Agreement or the Bonds, or which are otherwise material in the context of the issue, offering and distribution of the Bonds and, to the best of the Issuer's knowledge (after due and careful enquiry), no such actions, suits or proceedings are threatened or contemplated.
5. **Listing of Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only and such permission is expected to become effective on 29 January 2026.
6. **Listing of Shares:** Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Bonds and such permission is expected to become effective when such Shares are issued.
7. **Available Documents:** As long as any of the Bonds are outstanding, copies of the Trust Deed and the Agency Agreement will be available (i) for inspection by the Bondholders at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. from Monday to Friday (other than public holidays)) following prior written request and proof of holding and identity satisfactory to the Trustee at the principal place of business of the Trustee, being at the Issue Date at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, or (ii) electronically to the requesting Bondholder from the Principal Agent following prior written request and proof of holding and identity to the satisfaction of the Principal Agent and, in the case of the documents referred to below, copies may be obtained during normal business hours at the specified office of the Issuer at Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong:
 - articles of association of the Issuer;
 - copies of the Historical Financial Information of the Group and the audited consolidated financial statements of the Group as of and for the year ended 31 December 2024;
 - the Agency Agreement; and
 - the Trust Deed.

8. **Independent Auditor:** The Historical Financial Information of the Group has been reported on by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by Hong Kong Institute of Certified Public Accountants, and the audited consolidated financial statements as of and for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong in accordance with International Standards on Auditing issued by the IAASB. The Group’s unaudited condensed consolidated interim financial information as of and for the six months ended 30 June 2025 has been reviewed by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the IAASB. The independent auditor of the Issuer has agreed to the incorporation by reference in this Offering Circular of, and all references to, (i) its name, (ii) its accountant’s report dated 4 June 2024 on the Historical Financial Information, (iii) its independent auditor’s report dated 28 March 2025 on the audited consolidated financial statements of the Group for the year ended 31 December 2024 and (iv) its review report dated 27 August 2025 on the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025.

ISSUER

XtalPi Holdings Limited

晶泰控股有限公司

PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

TRUSTEE

The Bank of New York Mellon, London Branch

160 Queen Victoria Street
London EC4V 4LA
United Kingdom

**PRINCIPAL PAYING AGENT AND PRINCIPAL
CONVERSION AGENT**

The Bank of New York Mellon, London Branch

160 Queen Victoria Street
London EC4V 4LA
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Dublin Branch

The Shipping Office
20-26 Sir John Rogerson's Quay
Dublin 2
Dublin, D02 Y049
Ireland

LEGAL ADVISERS TO THE ISSUER

To the Issuer as to Cayman Island law

Maples and Calder (Hong Kong) LLP

26/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

To the Issuer as to PRC law

Fangda Partners

24/F, HKRI Centre Two
HKRI Taikoo Hui
288 Shi Men Yi Road
Shanghai
PRC

To the Issuer as to English law and Hong Kong law

Hogan Lovells Lee & Lee

50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

LEGAL ADVISERS TO THE LEAD MANAGERS

As to Hong Kong and English law

Herbert Smith Freehills Kramer

23rd Floor, Gloucester Tower
15 Queen's Road Central
Hong Kong

As to PRC law

JunHe LLP

China Resources Building, 20th Floor
8 Jianguomenbei Avenue
Dongcheng District, Beijing 100005
People's Republic of China

LEGAL ADVISER TO THE TRUSTEE

Linklaters
11th Floor
Alexandra House
Chater Road
Hong Kong

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F
Prince's Building
Central
Hong Kong