



12 February 2026

To: *The Independent Board Committee of  
BioDlink International Company Limited*

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH OFFERS BY  
CITIGROUP GLOBAL MARKETS ASIA LIMITED FOR AND  
ON BEHALF OF THE OFFEROR FOR ALL THE ISSUED SHARES OF  
THE COMPANY (OTHER THAN THOSE SHARES ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE  
OFFEROR CONCERT PARTIES) AND TO CANCEL  
ALL OUTSTANDING SHARE OPTIONS**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, details of which are set out in the Composite Document dated 12 February 2026 jointly issued by the Company and the Offeror to the Shareholders/Option Holders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

On 14 January 2026 (after trading hours), the Board was informed by the Offeror that Citi will, for and on behalf of the Offeror, make a voluntary conditional cash offer to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) and cancel all outstanding Share Options.

**THE INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offers, namely Ms. Hui SUN, Mr. Qing ZHANG and Dr. Xuelin GU, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Shareholders and Option Holders as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. Dr. Weidong LIU, the non-executive Director, is also the managing director of Vivo Capital and was involved in the discussion and/or negotiation of the terms and conditions of the Offers. To avoid any possible conflict of interest, Dr. Weidong LIU would not be part of the Independent Board Committee.

We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. Our appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

#### OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company, the Offeror or any of their respective substantial shareholders (as applicable), directors or chief executives (as applicable), or any of their respective associates and we were not in the same group as the financial or other professional adviser (including a stockbroker) to the Offeror and the Group, we do not and did not have, a significant connection, financial or otherwise with either the Offeror or the Group, or the controlling shareholder(s) of either of them (as applicable), of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of our advice. Accordingly, we are considered suitable to give independent advice to the Independent Board Committee in respect of the Offers in compliance with Rule 2.6 of the Takeovers Code.

In the last two years, save for this appointment as the Independent Financial Adviser in respect of the Offers, we have not acted as any financial adviser role to the Company and the Offeror.

Apart from the normal professional fees paid to us in relation to the current appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company, the Offeror or other parties that could reasonably be regarded as relevant to our independence. The aggregate professional fees paid to us do not make up a significant portion of our revenue during the relevant period which would affect our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser in respect of the Offers.

#### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on (i) the Company's announcement on 11 November 2025 regarding the unaudited financial information of the Group for the nine months period ended 30 September 2025 ("9M2025"); (ii) the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"); (iii) the statements, information, opinions and representations contained or referred to in the Composite Document; and (iv) the information and representations as provided to us by the Directors, the management of the Company (the "Management") and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors, the Management and the Offeror (where applicable), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror (where applicable) in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, the Management and the Offeror (where applicable), which have been provided to us. Our opinion is based on the Directors', the Management's and the Offeror's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Offers.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than information relating to the Offeror and the Offeror Concert Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, opinions, or representations given or made by or on behalf of the Company or the Offeror, nor conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Offers. The Company has been separately advised by its own professional advisers with respect to the Offers and the preparation of the Composite Document (other than this letter).

We have assumed that the Offers will be consummated in accordance with the terms and conditions set forth in the Composite Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that no delay, limitation, condition or restriction will be imposed in connection with the Offers that would have a material adverse effect on the contemplated benefits expected to be derived from the Offers. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. The Shareholders will be notified of any material changes (including changes to our opinions, advices and recommendations) as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the Offers, we have taken into account the following principal factors and reasons:

### 1. Information of the Group

#### 1.1 *Background information of the Group*

The Company is a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board (stock code: 1875). The Company is an investment holding company. The Group is principally engaged in research and development, manufacturing, and marketing of anti-tumor drugs, CDMO/contract manufacture organization business and license-out of self-developed biological drugs in the PRC.

#### 1.2 *Financial information of the Group*

Set out below is a summary of the unaudited financial information of the Group for each of the nine months ended 30 September 2025 and 2024 ("9M2024") as extracted from the announcement of the Company dated 11 November 2025.

	9M2025 RMB'000 (unaudited)	9M2024 RMB'000 (unaudited)
Revenue	621,670	809,021
Net (loss)/profit for the period attributable to equity holders of the Company	(3,371)	35,403

	As at 30 September 2025 <i>RMB'000</i> ( <i>unaudited</i> )	As at 31 December 2024 <i>RMB'000</i> ( <i>audited</i> )
Current assets	655,570	743,277
Current liabilities	266,048	415,363
Non-current assets	720,682	765,495
Non-current liabilities	384,531	363,754
Net assets	725,673	729,655

The Group recorded a decrease in consolidated revenue of approximately RMB187.4 million, or approximately 23.2%, from approximately RMB809.0 million in 9M2024 to approximately RMB621.7 million in 9M2025. The decrease was mainly attributable to the increasingly intense market competition of self-developed products.

The Group recorded a net loss of approximately RMB3.4 million in 9M2025 as compared to a net profit of approximately RMB35.4 million in 9M2024. The turnaround was mainly attributable to the above mentioned decrease in revenue in 9M2025 against 9M2024.

The Group recorded decrease in current assets by approximately RMB87.7 million, or approximately 11.8%, from approximately RMB743.3 million as at 31 December 2024 to approximately RMB655.6 million as at 30 September 2025 which was mainly attributable to cash payment due for property, plant and equipment and construction in progress, and corresponding decrease in trade receivable and other receivables due to the above mentioned decrease in revenue.

The Group recorded decrease in current liabilities by approximately RMB149.3 million, or approximately 35.9%, from approximately RMB415.4 million as at 31 December 2024 to approximately RMB266.0 million as at 30 September 2025 which was mainly attributable to decrease in accrued selling expenses related to the sales of self-developed products and decrease in other payables.

The Group's current ratio stood at approximately 2.46 as at 30 September 2025 as compared to approximately 1.79 as at 31 December 2024, which demonstrates an improvement on the Group's liquidity.

The Group recorded decrease in non-current assets by approximately RMB44.8 million, or approximately 5.9%, from approximately RMB765.5 million as at 31 December 2024 to approximately RMB720.7 million as at 30 September 2025 which was mainly attributable to depreciation and amortization of property, plant and equipment, and reclassification of receivables from non-current to current.

The Group recorded increase in non-current liabilities by approximately RMB20.8 million, or approximately 5.7%, from approximately RMB363.8 million as at 31 December 2024 to approximately RMB384.5 million as at 30 September 2025 which was mainly attributable to increase in non-current portion of bank borrowings.

The net asset attributable to owners of the Company decreased by approximately RMB4.0 million, or approximately 0.5%, from approximately RMB729.7 million as at 31 December 2024 to approximately RMB725.7 million as at 30 September 2025 which was mainly attributable to the net loss recorded in 9M2025.

Apart from the above, we also note from the section headed "five-year financial summary" in the 2024 Annual Report that the Group's revenue has increased significantly from approximately RMB22.5 million in the year 2020 to approximately RMB780.6 million in the year 2023, and the net loss of the Group has significantly decreased from approximately RMB291.8 million in the year 2020 to approximately RMB36.0 million in the year 2023. The Group recorded its first ever net profit of approximately RMB34.8 million in the year 2024 primarily attributable to considerable increase in revenue from approximately RMB780.6 million in the year 2023 to approximately RMB1,098.3 million in the year 2024. However, as mentioned above, the Group recorded a net loss of approximately RMB3.4 million in 9M2025 due to the increasingly intense market competition of self-developed products. Whether the Group can maintain net profit position for the year ended 31 December 2025, and whether the Group can maintain its profitability in the near future, are both uncertain.

### **1.3 Prospects and outlook of the Group**

The Group's revenue is mainly derived from (i) research and development, manufacturing, selling of self-developed anti-tumor drugs; and (ii) CDMO/CMO business and license-out of self-developed biological drugs.

According to "Cancer incidence and mortality in China, 2022" published by 國家癌症中心 (National Cancer Center of China) in 2024, (i) number of cancer death had increased by 86.89% between 1990 and 2019; and (ii) between 2000 and 2018, the overall incidence of cancer in the PRC showed an upward trend, with an average annual increase of approximately 1.4%. In addition, according to 'Burden of major cancers in China attributable to modifiable risk factors: Predictions from 2012 to 2035' published by 華中科技大學 (Huazhong University of Science and Technology) in 2024, it is projected that from 2012 to 2035, the number of cancer deaths related to modifiable risk factors (e.g. Smoking, lack of exercise, and insufficient fruit intake) will continue to increase.

As disclosed in the 2024 Annual Report, the Group will remain steadfast in its strategic focus on biological drug CDMO services, closely monitor policy development and seize emerging industry opportunities. In terms of business expansion, the Group will continue to deepen its presence in overseas markets, strengthen cooperation with leading global pharmaceutical companies, and enhance the Group's international operational capabilities and market share. Committed to excellence, the Group will optimize service quality and production efficiency to deliver higher-quality and more efficient one-stop biopharmaceutical CDMO services to the Group's customers.

As discussed in section 1.2 above, the Group recorded its first ever net profit in the year 2024. However, the Group recorded a net loss of approximately RMB3.4 million in 9M2025 due to the increasingly intense market competition of self-developed products (i.e. anti-tumor drugs). Given the intense competition in sale of anti-tumor drugs, the Group future success highly depends on whether the Group's shift of strategic focus to biological drug CDMO services is successful. Whether the Group can maintain net profit position for the year ended 31 December 2025, and whether the Group can maintain its profitability in the near future, are both uncertain.

## 2. Information of the Offeror

### 2.1 *Background information of the Offeror and parties acting in concert with it*

The Offeror is an exempt company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board (stock code: 2268). The Offeror is an investment holding company. The Offeror Group is principally engaged in provision of comprehensive contract research, development and manufacturing organisation services, including discovery, process development and Good Manufacturing Practice manufacturing for bioconjugates, monoclonal antibody intermediates and payload-linkers associated with bioconjugates.

As at the Latest Practicable Date, WuXi Biologics directly holds approximately 50.52% of the total issued shares capital of the Offeror.

WuXi Biologics is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 2269). WuXi Biologics is an investment holding company. WuXi Biologics and its subsidiaries are a biologics contract research, development and manufacturing organisation offering end-to-end solutions for biologics discovery, development and manufacturing. WuXi Biologics is the controlling shareholder of the Offeror. As disclosed in the interim report of WuXi Biologics for the six months ended 30 June 2025 and the disclosure of interests forms available on the Stock Exchange website, no person is deemed to be interested in 30% or more of the total issued share capital of WuXi Biologics.

## ***2.2 Intentions of the Offeror in relation to the Group***

Upon Completion, the Company will become a subsidiary of the Offeror, and the financial results of the Group will be consolidated into the financial statements of the Offeror Group.

Save as disclosed above and the proposed changes to the composition of the Board as set out below, as at the Latest Practicable Date, the Offeror has no plans to make any major changes to the current business operations of the Group, including any redeployment of the fixed assets of the Company, or to introduce any major changes in the management or the continued employment of the employees of the Group as a result of the Offers. Following Completion, the Offeror will continuously review the operations of the Group and the Offeror reserves the right to make any changes it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

### ***2.2.1 Proposed changes to the composition of the Board***

As at the Latest Practicable Date, the Board comprises five Directors in total, with one executive Director, namely, Mr. Shan FU, one non-executive Director, namely, Dr. Weidong LIU, and three independent non-executive Directors, namely, Ms. Hui SUN, Mr. Qing ZHANG and Dr. Xuelin GU.

The Offeror intends to nominate new Director(s) with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror had not reached any final decision as to who will be nominated as the new Director(s) of the Company. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

## ***2.3 Public float and maintenance of the listing status of the Company***

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following Completion. The directors of the Offeror and the new Director(s) to be appointed by the Offeror will jointly and severally undertake to the Stock Exchange that if, at Completion, the Company fails to comply with the requirements of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

The Stock Exchange has stated that if, at Completion:

- (a) the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) an orderly market does not exist or may not exist, it will consider exercising its discretion to suspend dealings in the Shares; and
- (b) the Company has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then (i) the Stock Exchange will add a designated marker to the stock name of the Shares; and (ii) the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

#### **2.4 Our view**

Having considered that (i) save as disclosed in section 2.2 above, the Offeror has no plans to make any major changes to the current business operations of the Group, including any redeployment of the fixed assets of the Company, or to introduce any major changes in the management or the continued employment of the employees of the Group as a result of the Offers; and (ii) following Completion, the Offeror will continuously review the operations of the Group and the Offeror reserves the right to make any changes it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group, it appears that the Offeror had no specific future plan for the Group as at the Latest Practicable Date, and we consider that the future direction and prospects of the Group under the Offeror is currently uncertain. The Offers provide a viable exit to the Shareholders/Option Holders.

### **3. Principal terms of the Offers**

#### **3.1 Share Offer**

Citi is making the Share Offer for and on behalf of the Offeror to acquire all the Offer Shares on terms set out in the Composite Document in compliance with the Takeovers Code on the following basis:

**For each Offer Share ..... HK\$4.00 in cash**

As at the Latest Practicable Date, there are a total of 772,787,887 Shares in issue.

The Share Offer will be extended to all holders of Offer Shares in accordance with the Takeovers Code.

As at the Latest Practicable Date, save for the Share Options and the RSAs, the Company did not have any outstanding options, warrants, derivatives or securities which were convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which were convertible or exchangeable into Shares.

The Offeror will not increase the Share Offer Price or the Cancellation Price and does not reserve the right to do so. Shareholders, Option Holders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price or the Cancellation Price.

### 3.2 *Option Offer*

As at the Latest Practicable Date, there are 7,632,600 outstanding Share Options (excluding those that have expired or lapsed), comprising (i) 7,348,600 Vested Unexercised Options; and (ii) 284,000 Unvested Options.

In accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, Citi is making the Option Offer for and on behalf of the Offeror to the Option Holders to cancel all outstanding Share Options at the Cancellation Price, calculated as the "see-through" price (being the Share Offer Price less the exercise price of the Share Option).

Number of Share Options	Exercise price	
	per Share Option	Cancellation Price per Share Option
7,348,600 Vested Unexercised Options	HK\$2.2335	HK\$1.7665 in cash
284,000 Unvested Options (Note)	HK\$2.2335	HK\$1.7665 in cash

*Note:* 142,000 Unvested Options are expected to vest on 1 March 2026 and the remaining 142,000 Unvested Options are expected to vest on 1 March 2027.

Please refer to the Composite Document for further information on the Option Offer.

### 3.3 *RSA Plans and the Trustees*

As at the Latest Practicable Date, a total of 44,581,614 RSA Shares, representing approximately 5.77% of the total issued Shares, have been granted to the RSA Holders, out of which there are (i) 30,023,789 outstanding Vested RSA Shares in respect of which the full amount of the Grant Consideration had not been received by the Company; and (ii) 14,557,825 Unvested RSA Shares that have been granted but had not vested to the relevant RSA Holders.

An RSA Holder who intends to accept the Share Offer in respect of all or part of his/her RSA Shares shall provide written notice to the Administration Committee by 4:00 p.m. of the date falling no less than five (5) Business Days before the relevant Closing Date of such intention, setting out the number of RSA Shares he/she intends to tender for acceptance of the Share Offer.

Please refer to the Composite Document for further information on the RSA Plans and the Trustees.

#### *3.4 Conditions of the Share Offer*

The Share Offer is conditional on the satisfaction or, if capable of being waived, waiver of, among other Conditions, the valid acceptances of the Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date in respect of such number of Offer Shares which would result in the Offeror holding not less than 60% of the voting rights in the Company as at the Closing Date (being the "Acceptance Condition").

If the Acceptance Condition is not satisfied on the First Closing Date (i.e. the Acceptance Level on the First Closing Date falls below 60%), the Offeror will extend the First Closing Date to a date falling no less than 14 days after the First Closing Date. For the avoidance of doubt, the Offeror may exercise such right to extend the Closing Date in compliance with the Takeovers Code on more than one occasion.

Please refer to the Composite Document for further information on the conditions of the Share Offer.

#### *3.5 Conditions of the Option Offer*

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects (and not subsequently lapsed).

#### *3.6 Comparisons of value of the Share Offer Price*

The Share Offer Price of HK\$4.00 per Offer Share represents:

- a) a discount of approximately 4.76% to the closing price as quoted on the Stock Exchange on the Latest Practicable Date of HK\$4.20 per Share;
- b) a premium of approximately 99.00% over the closing price as quoted on the Stock Exchange on the Undisturbed Date of HK\$2.01 per Share;
- c) a premium of approximately 60.00% over the closing price as quoted on the Stock Exchange on the Last Trading Day of HK\$2.50 per Share;

- d) a premium of approximately 101.01% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Undisturbed Date of approximately HK\$1.99 per Share;
- e) a premium of approximately 88.32% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day of approximately HK\$2.12 per Share;
- f) a premium of approximately 105.66% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Undisturbed Date of approximately HK\$1.94 per Share;
- g) a premium of approximately 95.89% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day of approximately HK\$2.04 per Share;
- h) a premium of approximately 114.67% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date of approximately HK\$1.86 per Share;
- i) a premium of approximately 112.80% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of approximately HK\$1.88 per Share;
- j) a premium of approximately 102.58% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date of approximately HK\$1.97 per Share;
- k) a premium of approximately 102.50% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day of approximately HK\$1.98 per Share;
- l) a premium of approximately 276.91% over the audited consolidated net asset value of approximately HK\$1.06 per Share, based on the audited consolidated net assets of the Company as at 31 December 2024 and the number of Shares in issue as at the Latest Practicable Date; and

- m) a premium of approximately 275.87% over the unaudited consolidated net asset value of approximately HK\$1.06 per Share, based on the unaudited consolidated net assets of the Company as at 30 June 2025 and the number of Shares in issue as at the Latest Practicable Date.

The trading volume on the Last Trading Day was 1,484,800 Shares. The average daily trading volume over the twelve-month period immediately up to and including the Undisturbed Date was approximately 202,861 Shares. The share price of the Company traded up by approximately 19.05% on the Last Trading Day and up by approximately 24.38% between the Undisturbed Date and the Last Trading Day. In contrast, Hang Seng Index traded up by approximately 0.17% on the Last Trading Day and up by approximately 0.07% between the Undisturbed Date and the Last Trading Day.

The Share Offer Price was determined on an arm's length commercial basis through arm's length commercial negotiations, having considered, among others, the following factors:

- (a) the net book value, asset profile and operating performance of the Company: key factors considered by the Offeror include the net book value, asset base and operating performance of the Company, which support a premium. The Offeror considered, among others, the net book value of the Company's core assets, its operating scale, service capacity and sustained business development potential, with a net book value of approximately RMB731.7 million as of 30 June 2025. As the CDMO business is capital-intensive, assets value is also an important component of its valuation metrics. As of 30 June 2025, the Company has total assets of approximately RMB1,476.4 million, with property, plant and equipment of approximately RMB697.4 million. As a "one-stop, one-base, end-to-end" CDMO service provider for antibodies, fusion proteins, ADCs, and various bioconjugates, the Company remains committed to delivering comprehensive international services from research and development to commercial production, maintaining stable operational execution and capacity deployment to support long-term value creation, accelerating drug development for its partners;

(b) the Offeror will obtain a controlling interest in the Company upon Completion: upon Completion, the Offeror will become the controlling shareholder of the Company. In determining the Consideration, the Directors have considered recent public transactions in the past one year involving the acquisition of control of listed companies in Hong Kong, with a deal value of more than US\$100 million:

Target Company	Stock Code	Premium of the offer price over the trading price on the undisturbed date or (if there is no undisturbed day) the last trading day
ENN Energy Holdings Limited	2688	47.60%
ANE (Cayman) Inc.	9956	48.54%
Jilin Jiutai Rural Commercial Bank Corporation Limited	6122	70.73%
OneConnect Financial Technology Co., Ltd.	6638	72.33%
Dongfeng Motor Group Company Limited	489	128.90%

*Note:* When considering transactions of similar nature, the Offeror has considered an exhaustive list of transactions which (i) the buyer increased its shareholding in the target company from below 50% to 50% or more; and (ii) were initiated by way of a general offer, scheme of arrangement or merger by absorption. In considering the control premium, the Offeror has excluded transactions triggered by the "creeper" rule under the Takeovers Code as the premium for stake building transactions is not directly comparable.

(c) **comparison of comparable companies:** comparing similar listed companies whose principal business is (i) the provision of CDMO services and (ii) both sales of drugs and CDMO services and which have a similar market capitalisation to the Company (which had a market capitalisation of HK\$3,091 million on the Last Trading Day), and considering ratios such as price-to-sales ratio of these comparable companies, noting that the price-to-sales ratio implied by the Share Offer Price (being 2.6 times) is lower than the average of these comparable companies and is at the lower end of the range of such comparables:

Company	Stock Code	Market Capitalisation on the Last Trading Day (HK\$' million)	Price-to-sales Ratio (times)
Viva Biotech Holdings	1873	4,025	1.8
Mabpharm Limited	2181	2,227	7.8
Qyuns Therapeutics Co., Ltd.	2509	4,107	23.5

*Note:* The Offeror has considered an exhaustive list of comparable companies with a market capitalisation of less than HK\$5,000 million. The price-to-sales ratio is calculated based on the market capitalisation of the respective comparable company divided by the revenue of the respective comparable company in the latest financial year.

(d) premium to market price and incentive for IU Shareholders and other public shareholders: the Offeror intends to acquire Shares from the IU Shareholders and other public shareholders, and the premium of the Share Offer Price of the Shares is critical to incentivising the IU Shareholders to provide the Irrevocable Undertakings, and is intended to provide a compelling economic incentive for the other public shareholders to tender their Shares, and to ensure that the Offeror can receive valid acceptances which would result in the Acceptance Condition being met; and

(e) the Offers as a whole are expected to bring strategic operational benefits to the Offeror as detailed in the section headed "REASONS FOR AND BENEFITS OF THE OFFERS" in the Composite Document.

#### 4. Total Value of the Share Offer and the Option Offer

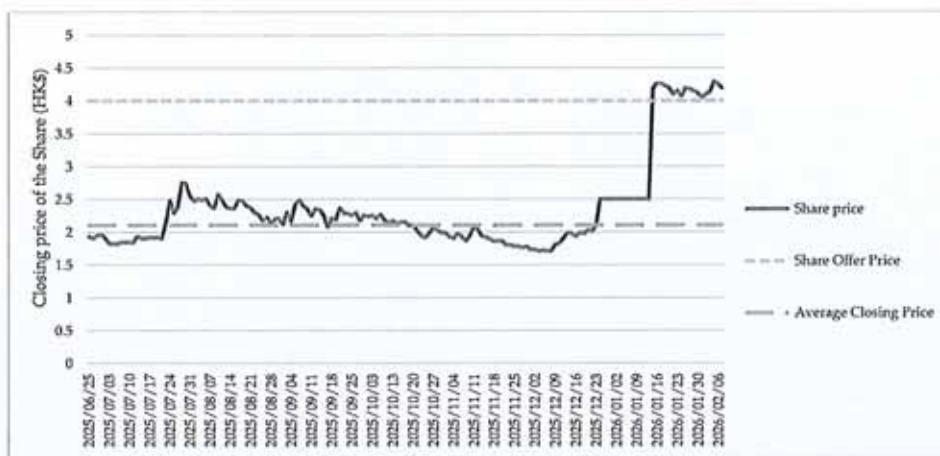
Assuming that (i) there is no change in the issued share capital of the Company from the Latest Practicable Date and up to Completion; and (ii) no outstanding Share Options are exercised, cancelled or lapsed, 772,787,887 Shares will be subject to the Share Offer and 7,632,600 outstanding Share Options will be subject to the Option Offer. In the case that the Share Offer and the Option Offer are accepted in full, (i) the maximum consideration payable by the Offeror for the Share Offer is valued at approximately HK\$3,091.2 million and (ii) the maximum consideration payable by the Offeror for the cancellation of all outstanding Share Options under the Option Offer is valued at approximately HK\$13.5 million. The total value of the Offers is approximately HK\$3,104.7 million.

Assuming that (i) there is no change in the issued share capital of the Company (other than the allotment of and issue of the new Shares upon exercise of the outstanding Share Options) from the Latest Practicable Date and up to Completion; (ii) all the Vested Unexercised Options and the 142,000 Unvested Options which are expected to vest on 1 March 2026 are exercised in full during the Offer Period; and (iii) all the 142,000 Unvested Options which are expected to vest on 1 March 2027 remain unvested during the Offer Period, 780,278,487 Shares will be subject to the Share Offer and 142,000 outstanding Share Options will be subject to the Option Offer. In the case that the Share Offer and the Option Offer are accepted in full, (i) the maximum consideration payable by the Offeror for the Share Offer is valued at approximately HK\$3,121.1 million and (ii) the maximum consideration payable by the Offeror for the cancellation of all outstanding Share Options under the Option Offer is valued at approximately HK\$0.3 million. The total value of the Offers is approximately HK\$3,121.4 million.

#### 5. Historical price and trading volume of the Shares

Set out below is the historical price performance of the Shares as quoted on the Stock Exchange during (i) the six-month period prior to the Last Trading Day; and (ii) the period from the Last Trading Day up to the Latest Practicable Date (the "Review Period"). We consider that the Review Period is appropriate as (i) it reflects the general trend and recent market valuation of the Shares; (ii) a shorter period (e.g. 3 months) may not sufficiently illustrate a meaningful historical trend for a proper assessment; and (iii) a longer period (e.g. 1 year) may have been too distant in time making such historical trend less relevant within the context of the Offers and with reference to the dynamic financial markets.

## 5.1 Historical price performance of the Shares



Source: website of the Stock Exchange

Notes:

1. Trading in Shares was halted from 9:00 a.m. on 29 December 2025 and resumed at 9:00 a.m. on 15 January 2026.
2. The Joint Announcement was published on the 14 January 2026 (after trading hours).

From the beginning of the Review Period (i.e. 25 June 2025) and up to the Last Trading Day (i.e. 24 December 2025) (the "Pre-Rule 3.5 Announcement Review Period"), the closing price of the Shares fluctuated roughly between HK\$1.71 and HK\$2.75, with an average closing price of approximately HK\$2.1047 (the "Average Closing Price").

The Share Offer Price is at all time higher than the closing price of the Shares during the Pre-Rule 3.5 Announcement Review Period and is approximately 90.05% higher than the Average Closing Price. The Share Offer Price is attractive and fair and reasonable when compared to historical price performance during the Pre-Rule 3.5 Announcement Review Period.

Trading in the Shares was halted between 29 December 2025 to 14 January 2026 pending release of the Joint Announcement.

Following release of the Joint Announcement on 14 January 2026, the Shares resumed trading on 15 January 2026, and the Shares' closing price rose significantly, increasing from HK\$2.5 on 24 December 2025 to HK\$4.19 on 15 January 2026, and closed at HK\$4.20 on the Latest Practicable Date. The Share price is slightly higher than the Share Offer Price of HK\$4.00 following release of the Joint Announcement.

The surge of the Shares' price on 15 January 2026 is mainly attributable to the market reaction on the Offers. Given the above, it is possible that the Shares' price might not sustain should the Offers do not become unconditional.

### 5.2 Average daily trading volume for each month during the Review Period

The table below sets out the average daily trading volume of the Shares and the percentages of average daily trading volume to the total number of issued Shares and Shares held by public Shareholders, respectively, during the Review Period:

Period/Month	Number of trading day (approximate)	Average daily trading volume of the Shares per month (approximate)	Average daily trading volume of the Shares to the total number of issued Shares	Average daily trading volume of the Shares to the total number of Shares held by the public Shareholders
			(note 2)	(note 3)
<b>2025</b>				
25 June to 30 June	4	84,500	0.01%	0.05%
July	22	373,864	0.05%	0.21%
August	21	400,762	0.05%	0.22%
September	22	422,060	0.05%	0.23%
October	20	133,560	0.02%	0.07%
November	20	121,340	0.02%	0.07%
<b>1 December to 24 December (i.e. the Last Trading Day)</b>				
	18	292,600	0.04%	0.16%
<b>2026</b>				
15 January to 31 January	12	10,299,166	1.33%	5.68%
2 February to Latest Practicable Date	6	2,190,101	0.28%	1.21%

*Notes:*

1. Trading in the Share was halted on 29 December 2025 pending publication of the Joint Announcement and was resumed on 15 January 2026.
2. Based on 772,787 Shares in issue immediately as at the Latest Practicable Date.
3. Based on 181,376,339 Shares held by the public Shareholders as at the Latest Practicable Date.

During the Pre-Rule 3.5 Announcement Review Period, the average daily trading volume ranged from approximately 84,500 Shares (in June 2025) to approximately 422,060 Shares (in September 2025), representing approximately 0.01% to 0.05% of the total number of issued Shares, and representing approximately 0.05% to 0.23% of the total number of issued Shares held by public Shareholders as at the end of the respective month/period. Following release of the Joint Announcement, it is noted that the average daily trading volume in January 2026 amounted to 1.33% of the total number of issued Shares and 5.68% of the total number of issued Shares held by public Shareholders. The average daily trading volume of the Shares was below 0.3% of the total number of issued Shares held by public Shareholders from time to time during the entire Pre-Rule 3.5 Announcement Review Period indicating generally thin trading volume for the Shares. The significant increase in trading volume following release of the Joint Announcement is mainly attributable to the market reaction on the Offers. Given the above, it is possible that the trading volume of the Shares might not sustain should the Offers do not become unconditional.

It is important to note that the Share Offer Price of HK\$4.00 is lower than the recently observed market prices of the Shares during the portion of the Review Period that follows the release of the Joint Announcement. However, the Share Offer presents an opportunity for the Shareholders to dispose of a significant number of Shares without exerting downward pressure on the market price. As such, Shareholders may find the Share Offer less attractive in comparison to prevailing market prices of the Shares if the Shareholders are able to dispose of their Shares in the open market amid the historical thin trading volume of the Shares (in particular during the Pre-Rule 3.5 Announcement Review Period) such that the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds under the Share Offer.

#### 6. Comparable analysis on the terms of the Share Offer

In assessing the fairness and reasonableness of the Share Offer, we have performed a comparable analysis on the terms of the Share Offer.

Given that (i) the Group is principally engaged in research and development, manufacturing, and marketing of anti-tumor drugs, contract development and manufacturing organization/contract manufacture organization business and license-out of self-developed biological drugs; (ii) the Group's strategic focus is on biological drug CDMO services; and (iii) CDMO service is also a principal business of the Offeror, we have identified comparable companies who are listed on the Stock Exchange and whose principal business(es) is/are (i) CDMO services; and (ii) both sales of drugs and CDMO services.

Based on the such criteria, we have identified, to the best of our knowledge, an exhaustive list of 9 comparable companies (the "Comparable Company(ies)"). From our findings, (i) the price- to-earnings ratio (the "PE Ratio") of Genscript Biotech Corporation (Stock code: 1548.hk) is 1.2 times, which is less than one-tenth of the lowest PE Ratio of the Comparable Companies of 16.5 times; and (ii) the PE Ratio of Frontage Holdings Corporation (stock code: 1521.hk) is 421.6 times, which is 6 times over the highest PE Ratio of the Comparable Companies of 67.3 times. Accordingly, we have excluded the above mentioned outliers from inclusion in the comparable analysis.

The price-to-sales ratio (the "PS Ratio") is a valuation metric that compares the stock price of a business to its revenue and is a measure of how much the financial markets value each dollar of a company's sales. The PS Ratio also indicates how much money investors are ready to pay for a stock per dollar of sales. The PE Ratio shows how much investors are willing to pay for a company's earnings indicating if a stock might be overvalued (high PE Ratio) or undervalued (low PE Ratio) relative to its profitability, often compared to industry peers or historical trends.

The Comparable Companies were selected exhaustively with a 100% coverage of all suitable Comparable Companies satisfying the above selection criteria under an unbiased selection process. Although there are differences in financial conditions, target customers and market capitalisation between the Company and the Comparable Companies, in light of that the Comparable Companies are engaged in similar principal activities and listed on the Stock Exchange, they are likely to be influenced by similar macro-economic factors as the Group including, but not limited to, economic outlook and demand for drugs and therapies. In light of the above, we are of the view that the Comparable Companies are a fair and representative sample and can serve as a reference to the fairness and reasonableness of the Share Offer Price.

The following table sets out our analysis on the Comparable Companies:

Company name	Stock code	Market Capitalisation on the Last Trading Day (note 1) (HK\$'million)	PS Ratio (note 2) (times)	PE Ratio (note 2) (times)
ASYMCHEM LABORATORIES (TIANJIN) CO., LTD.	6821.hk 002821.cn	36,818	5.8	35.3
VIVA BIOTECH HOLDINGS	1873.hk	4,025	1.8	16.5
PHARMARON BEIJING CO., LTD.	3759.hk 300759.cn	53,062	3.9	26.9
WUXI XDC CAYMAN INC. (i.e. the Offeror)	2268.hk	79,143	17.8	67.3

Company name	Stock code	Market Capitalisation on the Last Trading Day (note 1) (HK\$'million)	PS Ratio (note 2) (times)	PE Ratio (note 2) (times)
WUXI BIOLOGICS (CAYMAN) INC. (i.e. Wuxi Biologics)	2269.hk	134,755	6.6	36.5
WUXI APPTEC CO., LTD.	2359.hk 603259.cn	297,699	6.9	28.9
MABPHARM LTD.	2181.hk	2,227	7.8	NA (note 6)
QYUNS THERAPEUTICS CO., LTD.	2509.hk	4,107	23.5	NA (note 6)
SHANGHAI HENLIUS BIOTECH, INC.	2696.hk	32,664	5.2	36.2
		Maximum	23.5	67.3
		Minimum	1.8	16.5
		Mean	8.8	35.4
		Median	6.6	35.3
<b>The Share Offer</b>		<b>3,091</b>	<b>2.6</b>	<b>80.9</b>
		(note 3)	(note 4)	(note 5)

*Source: website of the Stock Exchange and the annual reports of the Comparable Companies*

*Notes:*

1. Based on the closing price of the share of the respective Comparable Company as quoted on the Stock Exchange as at the Last Trading Day and their respective issued shares (excluding treasury shares) as quoted on the latest published monthly return available on the website of the Stock Exchange. For those Comparable Company who are H shares, issued share capital of which consists of non-listed domestic shares or A shares, the market capitalization of such portion of shares (based on closing price as quoted on the Stock Exchange as the Last trading Day in the case of non-listed domestic shares, or based on A share closing price on the Last Trading Day in the case of A shares, as the case may be) has also been included.
2. The figures are calculated based on the market capitalisation of the respective Comparable Company (please refer to note 1 above) divided by the revenue/net assets of the respective Comparable Company in the latest financial year.
3. Being the market capitalisation of the Company implied by the Share Offer Price.
4. The figure is calculated by dividing the market capitalisation of the Company implied by the Share Offer Price by the revenue of the Company for the year ended 31 December 2024 from the 2024 Annual Report.

5. The figure is calculated by dividing the market capitalisation of the Company implied by the Share Offer Price by the net profit attributable to owners of the Company as at 31 December 2024 from the 2024 Annual Report.
6. The Comparable Company was loss-making in the latest financial year.
7. For the purpose of this comparable analysis only, amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB1 to HK\$1.1.

As illustrated above, the PS Ratios of the Comparable Companies ranged from approximately 1.8 times to approximately 23.5 times (the "PS Ratio Range"), with an average of 8.8 times and a median of approximately 6.6 times. The PE Ratios of the Comparable Companies ranged from approximately 16.5 times to approximately 67.3 times (the "PE Ratio Range"), with an average of 35.4 times and a median of approximately 35.3 times.

The PS Ratio of the Company implied by the Share Offer Price of approximately 2.6 times is lower than the average and median PS Ratios but still within the PS Ratio Range of the Comparable Companies. The PE Ratio of the Company implied by the Share Offer Price of approximately 80.9 times falls above the PE Ratio Range and is higher than PE Ratios of all the Comparable Companies.

Based on the results of the above analysis of the PS Ratios and PE Ratios of the Comparable Companies, the Share Offer Price is attractive.

## 7. Our view of the Option Offer

Given that the Cancellation Price of the Option Offer is calculated as the "see-through" price (being the Share Offer Price less the exercise price of the Share Option), i.e. the "see-through" value of the outstanding Options is zero, we consider that the Cancellation price offered to the Option Holders is fair and reasonable so far as the Option Holders are concerned.

## 8. Irrevocable Undertakings

On 14 January 2026, each of the following IU Shareholders entered into an Irrevocable Undertaking in favour of the Offeror, pursuant to which each IU Shareholder undertook to accept, or procure the acceptance of, the Share Offer in respect of the following Offer Shares in accordance with its respective terms:

- (a) Advantech Capital Investment:
  - (i) 24,568,400 Offer Shares (representing approximately 3.18% of the total issued Shares); and

- (ii) the Advantech Shortfall Undertaking Shares, in the event that the Offeror has not received valid acceptances at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which would result in the Acceptance Condition being met, and the Offeror extends the Share Offer to an Extended Closing Date;

(b) Center Laboratories:

- (i) 143,756,490 Offer Shares (representing approximately 18.60% of the total issued Shares); and
- (ii) the Center Laboratories Shortfall Undertaking Shares, in the event that the Offeror has not received valid acceptances at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which would result in the Acceptance Condition being met, and the Offeror extends the Share Offer to an Extended Closing Date;

(c) Chengwei Evergreen Capital: 54,230,800 Offer Shares (representing approximately 7.02% of the total issued Shares);

(d) Vivo Capital: 103,245,000 Offer Shares (representing approximately 13.36% of the total issued Shares); and

(e) Vivo Suzhou: the Vivo Suzhou Shortfall Undertaking Shares, in the event that the Offeror has not received valid acceptances at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which would result in the Acceptance Condition being met, and the Offeror extends the Share Offer to an Extended Closing Date.

Assuming that none of the Shortfall Undertaking Shares will be tendered to accept the Share Offer, the other Undertaking Shares collectively represent an aggregate of approximately 42.16% of the total issued Shares as at the Latest Practicable Date. Assuming that all of the Shortfall Undertaking Shares will be tendered to accept the Share Offer in accordance with the terms of the respective Irrevocable Undertakings, the Undertaking Shares collectively represent an aggregate of 60.00% of the total issued Shares as at the Latest Practicable Date.

Please refer to the Composite Document for further information on the Irrevocable Undertakings.

## RECOMMENDATION

Notwithstanding that:

- (i) following release of the Joint Announcement on 14 January 2026, the Shares resumed trading on 15 January 2026, and the Shares' closing price rose significantly, increasing from HK\$2.50 on 24 December 2025, to HK\$4.19 on 15 January 2026, and closed at HK\$4.20 on the Latest Practicable Date. The Shares' price is slightly higher than the Share Offer Price of HK\$4.00 following release of the Joint Announcement; and
- (ii) following release of the Joint Announcement, it is noted that the average daily trading volume in January 2026 amounted to approximately 1.33% of the total number of issued Shares and approximately 5.68% of the total number of issued Shares held by public Shareholders;

we have also considered all the below factors as a whole, in particular that:

- (i) the Group recorded its first ever net profit in the year 2024 and returned to a net loss of approximately RMB3.4 million in 9M2025 due to the increasingly intense market competition of self-developed products (i.e. anti-tumor drugs). Given the intense competition in sale of anti-tumor drugs, the Group future success highly depends on whether the Group's shift of strategic focus to biological drug CDMO services is successful. Whether the Group can maintain net profit position for the year ended 31 December 2025, and whether the Group can maintain its profitability in the near future, are both uncertain;
- (ii) the future prospect and development of the Group is uncertain as the Offeror has not disclosed any concrete business development plan on the Group either in the Composite Document or to the public as at the Latest Practicable Date;
- (iii) the Share Offer price is at all time higher than the closing price of the Shares during the Pre-Rule 3.5 Announcement Review Period and is approximately 90.05% higher than the Average Closing Price. The surge of the Shares' price on 15 January 2026 is mainly attributable to the market reaction on the Offers. Given the above, it is possible that the Shares' price might not sustain should the Offers do not become unconditional. The Share Offer Price is attractive and fair and reasonable when compared to historical price performance during the Pre-Rule 3.5 Announcement Review Period;
- (iv) the average daily trading volume of the Shares was below 0.3% of the total number of issued Shares held by public Shareholders from time to time during the entire Pre-Rule 3.5 Announcement Review Period indicating generally thin trading volume for the Shares. The significant increase in trading volume following release of the Joint Announcement is mainly attributable to the market reaction on the Offers. Given the above, it is possible that the trading volume of the Shares might not sustain should the Offers do not become unconditional;

- (v) the PS Ratio of the Company implied by the Share Offer Price of approximately 2.6 times is lower than the average and median PS Ratios but still within the PS Ratio Range of the Comparable Companies. The PE Ratio of the Company implied by the Share Offer Price of approximately 80.9 times falls above the PE Ratio Range and is higher than PE Ratios of all the Comparable Companies. Based on the results of the above analysis of the PS Ratios and PE Ratios of the Comparable Companies, the Share Offer Price is attractive; and
- (vi) the Cancellation Price of the Option Offer is calculated as the "see-through" price (being the Share Offer Price less the exercise price of the Share Option),

we are of the opinion that (i) the Share Offer is fair and reasonable so far as the Shareholders are concerned, we would recommend the Independent Board Committee to advise the Shareholders to accept the Share Offer as a viable exit (especially those with substantial holdings of the Shares, disposal of which might exert downward pressure on the market price of the Shares); and (ii) the Option Offer is fair and reasonable so far as the Option Holders are concerned, we would recommend the Independent Board Committee to advise the Option Holders to accept the Option Offer, given the above circumstances.

In view of the recent upsurge in the trading volume of the Shares and fluctuations in the trading price of the Shares, in particular the period after the publication of the Joint Announcement in January 2026, the Shareholders, in particular, those with substantial holdings of the Shares, who would like to realise their investments in the Company are reminded to closely monitor the market trading price and liquidity of the Shares during the period prior to the latest time for acceptance of the Share Offer, currently being 4:00 p.m. on Friday, 13 March 2026, and should, having regard their own circumstances, consider disposing of their Shares in the open market, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds under the Share Offer.

On the contrary, if Shareholders maintain an optimistic view on the business prospect and Share price performance of the Group, they may consider not to accept the Share Offer and maintain all or part of their Shares at their own discretion. The Shareholders, who wish to retain all or part of their investments in the Company, should carefully monitor the future plans in relation to the Company that may be implemented by the Offeror, and given the historically low liquidity of the Shares, take into consideration the potential difficulties in realising their investments in the Company at or higher than the Share Offer Price after the First Closing Date.

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, they would carefully read the procedures for accepting or not accepting the Offers as set out in the Composite Document, its appendices and the accompanying Forms of Acceptance.

Yours faithfully,  
For and on behalf of  
**Grand Moore Capital Limited**

  
Philip Chau  
Managing Director

Yours faithfully,  
For and on behalf of  
**Grand Moore Capital Limited**

  
Florence Ng  
Associate Director

*Note:*

Mr. Philip Chau is a licensed person under the SFO to undertake types 1 and 6 regulated activities (dealing in securities and advising on corporate finance respectively) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Mr. Chau has over 30 years of experience in banking and corporate finance in Hong Kong.

Ms. Florence Ng is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Ms. Ng has over 10 years of experience in the corporate finance industry in Hong Kong.