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

If you have sold or transferred all your shares in **China Isotope & Radiation Corporation**, you should at once hand this circular, the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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CHINA ISOTOPE & RADIATION CORPORATION 中國同輻股份有限公司

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

(Stock Code: 1763)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS AND PROPOSED APPOINTMENT OF DOMESTIC AUDITOR FOR 2024

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

RAINBOW CAPITAL (HK) LIMITED
滂博資本有限公司

A letter from the Board is set out on pages 4 to 18 of this circular. Capitalised terms used on this cover page have the same meanings as defined in this circular.

The Company will convene the EGM at 10:30 a.m. on Wednesday, 13 November 2024 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, China. Notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. The proxy form for the EGM is enclosed herewith.

Shareholders who intend to appoint a proxy to attend the EGM are requested to complete the relevant proxy form in accordance with the instructions printed thereon. The relevant proxy form shall be lodged with (in respect of holders of H Shares) the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or (in respect of holders of Domestic Shares) the Company's head office and principal place of business in the PRC at No. 66 Changwa Middle Street, Haidian District, Beijing, China, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 10:30 a.m. on Tuesday, 12 November 2024) or any adjourned meeting thereof (as the case may be). Completion and return of the relevant proxy form will not prevent you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

24 October 2024

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DEFINITIONS

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

“404 Company”	CNNC 404 Company Limited (中核四〇四有限公司)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“China Baoyuan”	China Baoyuan Investment Co., Ltd. (中國寶原投資有限公司), a company established under the laws of the PRC on 20 January 1988
“CIAE”	China Institute of Atomic Energy (中國原子能科學研究院)
“CNNC”	China National Nuclear Corporation (中國核工業集團有限公司, previously known as “中國核工業集團公司”), a company established under the laws of the PRC on 29 June 1999, the controlling Shareholder of the Company
“CNNC Fund”	Beijing CNNC Industry Investment Fund (LLP) (北京中核產業投資基金(有限合夥))
“CNNC Qinshan Isotope”	CNNC Qinshan Isotope Company Limited (中核秦山同位素有限公司), a connected subsidiary of the Company
“Company”	China Isotope & Radiation Corporation (中國同輻股份有限公司), a joint stock company incorporated in the PRC
“Company Law”	the Company Law of the PRC
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in RMB

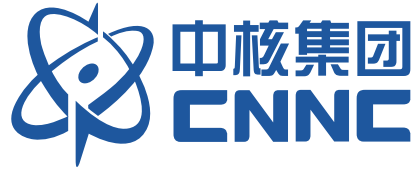
DEFINITIONS

“EGM”	the second extraordinary general meeting of the Company in 2024 to be held at 10:30 a.m. on Wednesday, 13 November 2024 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, China
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HTA”	HTA Co., Ltd. (原子高科股份有限公司)
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Poon Chiu Kwok, Ms. Chen Jingshan, Mr. Lu Chuang and Mr. An Rui, all being the independent non-executive Directors of the Company
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Agreements (including the proposed annual caps)
“Independent Shareholders”	the Shareholders who are not required to abstain from voting in favour of approving the proposed resolutions under the Listing Rules
“Independent Third Party(ies)”	a third party(ies) independent of and not connected with the Company and its subsidiaries and its connected persons (as defined under the Listing Rules)
“Latest Practicable Date”	21 October 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NPIC”	Nuclear Power Institute of China
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region and Taiwan
“Renewed Agreements”	the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement, collectively the “Renewed Agreements”
“Renewed Engineering Construction Services Framework Agreement”	the engineering construction services framework agreement entered into between the Company and CNNC on 31 October 2023, pursuant to which, the Group will purchase certain construction services, equipment services and consultation services from CNNC and its associates (excluding the Group)
“Renewed Purchase Agreement”	the products and services purchase framework agreement entered into between the Company and CNNC on 31 October 2023, pursuant to which, the Group will purchase certain products and related services and other services from CNNC and its associates (excluding the Group)
“Renewed Supply Agreement”	the products and services supply framework agreement entered into between the Company and CNNC on 31 October 2023, pursuant to which, CNNC and its associates (excluding the Group) will purchase certain products and related services and other services from the Group
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



CHINA ISOTOPE & RADIATION CORPORATION
中國同輻股份有限公司

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

(Stock Code: 1763)

Members of the Board

Chairman and executive Director:

Mr. Han Yongjiang

Executive Director:

Mr. Zhang Junqi

Mr. Fan Guomin

Non-executive Directors:

Mr. Chen Zan

Mr. Ding Jianmin

Ms. Chang Jinyu

Ms. Liu Xiuhong

Independent non-executive Directors:

Mr. Poon Chiu Kwok

Ms. Chen Jingshan

Mr. Lu Chuang

Mr. An Rui

Registered Office

Room 418, South 4th Floor, Building 1

No. 66 Changwa Middle Street

Haidian District

Beijing

PRC

**Head Office and Principal Place of Business
in the PRC**

No. 66 Changwa Middle Street

Haidian District

Beijing

PRC

Principal Place of Business in Hong Kong

5/F, Manulife Place

No. 348 Kwun Tong Road

Kowloon

Hong Kong

To the Shareholders

Dear Sir/Madam:

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
AND
PROPOSED APPOINTMENT OF
DOMESTIC AUDITOR FOR 2024**

1. INTRODUCTION

The purpose of this circular, of which this letter forms a part, is to give you notice of the EGM, and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

At the EGM, ordinary resolutions will be proposed to consider and, if thought fit, approve, among other things: (i) the proposed revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement; (ii) the proposed revision of the annual caps under the Renewed Purchase Agreement; (iii) the proposed revision of the annual caps under the Renewed Supply Agreement; (iv) the proposed appointment of domestic auditor for 2024; and (v) the 2024 investment plan of the Company. Notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

References are made to the announcement dated 31 October 2023 and the circular dated 6 December 2023 of the Company, in relation to, among other things, the entering into of the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement with CNNC.

2. REVISION OF ANNUAL CAPS UNDER THE RENEWED ENGINEERING CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

(1) Introduction

In relation to the Renewed Engineering Construction Services Framework Agreement, the table below sets out (i) the annual cap and the proposed revised annual cap for the year ending 31 December 2024, and (ii) the annual cap and the proposed revised annual cap for the year ending 31 December 2025.

Unit: RMB'000

Nature of transaction	For the year ending 31 December 2024		For the year ending 31 December 2025	
	Original annual cap	Proposed revised annual cap	Original annual cap	Proposed revised annual cap
Engineering construction Services	550,000	790,000	550,000	1,150,000

(2) Revision of Annual Caps Under the Renewed Engineering Construction Services Framework Agreement

The Board has resolved and proposed on 30 August 2024 to revise the annual caps under the Renewed Engineering Construction Services Framework Agreement for the two years ending 31 December 2024 and 2025.

The Renewed Engineering Construction Services Framework Agreement

The Company entered into the Renewed Engineering Construction Services Framework Agreement with CNNC on 31 October 2023. The principal terms of the Renewed Engineering Construction Services Framework Agreement are set out below:

Parties: CNNC (the supplier); and
the Company (the purchaser)

LETTER FROM THE BOARD

Principal Terms: The Company entered into the Renewed Engineering Construction Services Framework Agreement with CNNC on 31 October 2023, pursuant to which, CNNC and its associates (excluding the Group) shall provide the following services to members of the Group: (i) engineering, procurement and construction services or construction services (“**Construction Services**”); (ii) equipment procurement, manufacturing or installation services (“**Equipment Services**”); and (iii) engineering consultation services including but not limited to engineering consultation, management and supervision and survey and design (“**Consultation Services**”).

Term: The agreement shall come into force on 1 January 2024 and expire on 31 December 2025, subject to renewal as may be agreed and negotiated upon by both parties.

Pricing Policy: The following factors shall be considered in determining the specific price under the Renewed Engineering Construction Services Framework Agreement: (1) the costs for relevant products and services (including labour costs and material costs); (2) the market conditions learnt by the Group from suppliers (including CNNC and its associates and independent suppliers); and (3) with respect to purchase and sales contracts with significant amounts, public tendering shall be conducted in accordance with the internal tendering process of the Group, and the final price shall be determined based on the results of such process. The public tendering procedure includes issuing tender announcement, reviewing qualification of bidders, establishing tendering review committee, bid opening, bid reviewing, public disclosure of the bid winner, bid determination and issuing the tender results announcement. The bid reviewing experts of the tendering review committee are selected from the expert database of the bidding professional agency, and the expert database is composed of professionals from relevant fields. The Group will consider the qualifications, experience, and quotations of the suppliers to determine the successful bidder. The detailed pricing policy is as follows:

- (a) **Construction Services:** contract price of Construction Services: (1) in the case of selecting construction services providers through tendering process, the Company shall determine whether the services shall be provided by CNNC and/or its associates based on the results of such process, and the contract price shall be the award price; (2) in the case of selecting construction services providers other than through tendering process, the Company shall determine that the services shall be provided by CNNC and/or its associates after evaluation and review, and the contract price shall be determined through negotiations (such price shall not violate laws, regulations and relevant national requirements).
- (b) **Equipment Services:** contract price of Equipment Services: (1) in the case of selecting equipment services providers through tendering process, the Company shall determine whether the services shall be provided by CNNC and/or its associates based on the results of such process, and the contract price shall be the award price; (2) in the case of selecting equipment services providers other than through tendering process, the Company shall determine that the services shall be provided by CNNC and/or its associates after evaluation and review, and the contract price shall be determined through negotiations (such price shall not violate laws, regulations and relevant national requirements).

LETTER FROM THE BOARD

- (c) Consultation Services: contract price of Consultation Services: (1) in the case of selecting consultation services providers through tendering process, the Company shall determine whether the services shall be provided by CNNC and/or its associates based on the results of such process, and the contract price shall be the award price; (2) in the case of selecting consultation services providers other than through tendering process, the Company shall determine that the services shall be provided by CNNC and/or its associates after evaluation and review, and the contract price shall be determined through negotiations (such price shall not violate laws, regulations and relevant national requirements).

Reasons for revising the annual caps

- (i) For the eight months ended 31 August 2024, the transaction amount of engineering construction services under the Renewed Engineering Construction Services Framework Agreement was approximately RMB250 million (unaudited), accounting for 45.20% of the original annual cap for the year ending 31 December 2024;
- (ii) CNNC Qinshan Isotope was incorporated into the Group's consolidated financial statements starting from December 2023. Therefore, the engineering construction services between CNNC Qinshan Isotope and CNNC and/or its associates need to be accounted for under the Renewed Engineering Construction Services Framework Agreement. The transaction amount generated from these transactions in 2024 is expected to be approximately RMB170 million; and
- (iii) The Company plans to invest in new irradiation projects such as the China Silver Dragon's Sterilization Center Project in Tianjin and Guangxi Yulin Irradiation Project, as well as accelerate the construction of the Company's radiation source base project and North China base project. The transaction amounts generated by these projects in 2024 and 2025 are expected to be approximately RMB30 million and RMB420 million, respectively.

Based on the historical transaction amounts that have occurred, the payment schedule for funds under the signed contracts for the above projects, the construction progress plan, and the recent proposed investment projects, it is recommended to revise the annual caps for the engineering construction services of our Company for the two years ending 31 December 2024 and 2025.

Implementation of agreements

The Renewed Engineering Construction Services Framework Agreement is a framework agreement between the Company and CNNC in connection with the provision of engineering construction services by CNNC and/or its associates to the Group, and does not constitute a specific engineering construction services agreement. The parties will conclude separately specific engineering construction services agreements according to the principles under the Renewed Engineering Construction Services Framework Agreement, and determine specific

LETTER FROM THE BOARD

engineering construction services in writing. Subject to terms of the Renewed Engineering Construction Services Framework Agreement, all specific engineering construction services agreements shall be concluded on fair and reasonable basis, and clearly define specific terms and conditions including specification requirements, and other terms including the prices of products and services, and the delivery time, etc.

Reasons for and Benefits of Entering into the Renewed Engineering Construction Services Framework Agreement

The Group has invested in many construction projects throughout its rapid development. In particular, as the preliminary work of several base projects has been further promoted recently and such projects will enter the construction stage, the Group will conclude a large number of specific engineering construction service contracts in succession. The Group's construction projects require relatively complex radiation protection, and shall be completed by professional service providers with relevant qualifications and experience. There is a limited number of such service providers having relevant qualifications and experience in China, the majority of which are CNNC and/or its associates. Therefore, it is very likely that the Group's engineering construction services will be eventually provided by CNNC and/or its associates by whatever means the Group selects engineering construction service providers.

3. REVISION OF ANNUAL CAPS UNDER THE RENEWED PURCHASE AGREEMENT

(1) Introduction

In relation to the Renewed Purchase Agreement, the table below sets out (i) the annual cap and the proposed revised annual cap for the year ending 31 December 2024, and (ii) the annual cap and the proposed revised annual cap for the year ending 31 December 2025.

Unit: RMB'000

Nature of transaction	For the year ending 31 December 2024		For the year ending 31 December 2025	
	Original annual cap	Proposed revised annual cap	Original annual cap	Proposed revised annual cap
Purchase of products and services	150,000	250,000	150,000	445,000

(2) Revision of Annual Caps Under the Renewed Purchase Agreement

The Board has resolved and proposed on 30 August 2024 to revise the annual caps under the Renewed Purchase Agreement for the two years ending 31 December 2024 and 2025.

LETTER FROM THE BOARD

The Renewed Purchase Agreement

The Company entered into the Renewed Purchase Agreement with CNNC on 31 October 2023. The principal terms of the Renewed Purchase Agreement are set out below:

Parties: The Company (the purchaser);
and CNNC (the supplier)

Principal Terms: The Company entered into the Renewed Purchase Agreement with CNNC on 31 October 2023, pursuant to which the Group shall purchase from CNNC and its associates (excluding the Group), and CNNC and its associates (excluding the Group) shall provide the Group: (i) various types of raw and ancillary materials, production equipment and other products; (ii) transportation containers (including the designing and manufacturing services for transportation containers); (iii) technology testing services; (iv) encapsulation and processing services of cobalt-60 radioactive sources; (v) scientific research services related to high-end irradiation research and development; and (vi) other services.

Term: The agreement shall come into force on 1 January 2024 and expire on 31 December 2025, subject to renewal as may be agreed and negotiated upon by both parties.

Reasons for the transaction: Historically, CNNC and/or its associates have been the suppliers of raw and ancillary materials, production equipment, technology testing, and irradiation services to the Group in its ordinary course of business. CNNC has a leading position in the fields of nuclear materials processing, production of nuclear production equipment, nuclear technology testing and irradiation research and development. As a result of the long-term cooperation between the Group and CNNC and/or its associates in this regard, CNNC and/or its associates have accumulated knowledge and understanding in the Company's business needs for the products and services. Therefore, the Directors of the Company are of the view that it is efficient for the Company to continue such transactions with CNNC and/or its associates and it is in the best interests of the Company and the Shareholders as a whole.

Pricing Policy: The Company shall determine the purchase prices by taking into account the following factors comprehensively:

1. The costs for relevant products and services (including labour costs and material costs).
2. The market conditions learnt by the Group from suppliers (including CNNC and its associates (excluding the Group) and independent suppliers).
3. With respect to purchase and sales contracts with significant amounts, public tendering shall be conducted in accordance with the internal tendering procedures of the Group, and the final price shall be determined based on the results of such process.

LETTER FROM THE BOARD

Reasons for revising the annual caps

- (i) For the eight months ended 31 August 2024, the transaction amount for the purchase of products and services under the Renewed Purchase Agreement was approximately RMB60 million (unaudited), accounting for 41.26% of the original annual cap for the year ending 31 December 2024;
- (ii) The transaction amounts for processing fees for transactions between the Group and CNNC Qinshan Isotope (a connected subsidiary of the Company) are expected to be approximately RMB50 million and RMB100 million for 2024 and 2025, respectively;
- (iii) The transaction amounts for irradiation service fees incurred by the Group with CNNC Nuclear Power Operation Management Company Limited and Qinshan Third Nuclear Power Company Limited (both associates of CNNC) are expected to be approximately RMB30 million and RMB100 million in 2024 and 2025, respectively; and
- (iv) The transaction amount for the enterprise resource planning system construction costs between the Group and CNNC and its associates is expected to be approximately RMB50 million in 2025.

Based on the historical transaction amounts that have occurred and the comprehensive consideration of the aforementioned proposed projects, it is recommended to revise the annual caps for the procurement of products and services of the Company for the two years ending 31 December 2024 and 2025.

4. REVISION OF ANNUAL CAPS UNDER THE RENEWED SUPPLY AGREEMENT

(1) Introduction

In relation to the Renewed Supply Agreement, the table below sets out (i) the annual cap and the proposed revised annual cap for the year ending 31 December 2024, and (ii) the annual cap and the proposed revised annual cap for the year ending 31 December 2025.

Unit: RMB'000

Nature of transaction	For the year ending 31 December 2024		For the year ending 31 December 2025	
	Original annual cap	Proposed revised annual cap	Original annual cap	Proposed revised annual cap
Supply of products and services	150,000	300,000	170,000	700,000

(2) Revision of Annual Caps Under the Renewed Supply Agreement

The Board has resolved and proposed on 30 August 2024 to revise the annual caps under the Renewed Supply Agreement for the two years ending 31 December 2024 and 2025.

LETTER FROM THE BOARD

The Renewed Supply Agreement

The Company entered into the Renewed Supply Agreement with CNNC on 31 October 2023. The principal terms of the Renewed Supply Agreement are set out below:

Parties: CNNC (the purchaser);
and the Company (the supplier)

Principal Terms: The Company entered into the Renewed Supply Agreement with CNNC on 31 October 2023, pursuant to which CNNC and its associates (excluding the Group) shall purchase from the Group, and the Group shall supply to CNNC and its associates (excluding the Group) various types of products, i.e. radioactive source products, radioactive instruments and pharmaceuticals and other products, and the Group shall provide detection, recycling, transportation and reloading services related to the sales of such products, scientific research services related to research and development projects, and other services.

Term: The agreement shall come into force on 1 January 2024 and expire on 31 December 2025, subject to renewal as may be agreed and negotiated upon by both parties.

Reasons for the transaction: The Group sells radioactive source products, radioactive instruments and pharmaceuticals to CNNC and/or its associates in its ordinary and usual course of business. For example, the Group sells isotope products to CNNC and/or its associates which are used in their engineering projects and radioactive products sold to their hospitals. The Group plays a critical role in the nuclear technology application business of CNNC and the scientific research services provided by the Group to CNNC are expected to increase gradually in the next two years. As a result, resources could be gathered to facilitate the success of key research and development projects of CNNC, creating synergy effect of enhancing the competitiveness of both CNNC and the Group along the whole industrial chain.

Pricing Policy: The specific product prices to be received by the Group from CNNC and its associates (excluding the Group) shall be determined by relevant parties through fair negotiation, and the terms shall not be more favourable than those entered into between the Company and Independent Third Parties in the latest three months. The Company shall make reference to the historical prices of the products and collect information on market price and profit margin of relevant products from industry associations, industry peers and other channels, and determine the prices based on the average market profit margin or on cost-plus basis in order to ensure the fairness and reasonableness of the prices of products and services provided. The relevant cost consists of raw materials, ancillary materials, depreciation, labor cost, energy, administrative expenses and finance costs. With respect to transportation and other supplementary services, the service cost shall be reflected in the cost of sales of products accordingly. The price of scientific research services provided by the Group to CNNC and its associates (excluding the Group) shall be mainly determined by both parties through negotiation, having taken into account the relevant scientific research cost.

LETTER FROM THE BOARD

Reasons for revising the annual caps

- (i) For the eight months ended 31 August 2024, the transaction amount for the supply of products and services under the Renewed Supply Agreement was approximately RMB60 million (unaudited), accounting for 41.14% of the original annual cap for the year ending 31 December 2024;
- (ii) In 2024, the subsidiaries of the Company are applying to participate in the centralized research and development projects of CNNC and its associates. The transaction amounts incurred in 2024 and 2025 are expected to be approximately RMB60 million and RMB180 million, respectively; and
- (iii) The Company plans to conduct acquisitions in the future, and certain potential acquired subsidiary has daily transactions with CNNC and its associates. The transaction amounts generated from these transactions in 2024 and 2025 are expected to be approximately RMB70 million and RMB300 million, respectively.

Based on the historical transaction amounts that have occurred and the comprehensive consideration of the aforementioned proposed projects, it is recommended to revise the annual caps for the supply of products and services of the Company for the two years ending 31 December 2024 and 2025.

Internal Control System for Continuing Connected Transactions

The Company has established (1) the reporting, approval and, if necessary, selection and verification procedures, to ensure that the agreed prices and terms of the continuing connected transactions are no less favourable than those that may be offered to or received from (if applicable) Independent Third Parties by the relevant members of the Group, and are in compliance with the pricing policy; and (2) the procedures and policies for identifying connected persons and monitoring the annual caps for continuing connected transactions.

The Company has established a series of procedures and internal control measures in order to ensure that the pricing mechanism and terms of the transactions are fair and reasonable and no less favourable than the terms provided by any independent third party, so as to ensure that they serve the interests of the Company and its Shareholders as a whole. Such procedures and internal control measures mainly include:

- (a) the transactions contemplated under the Agreements are conducted on a non-exclusive basis.
- (b) the Company has adopted internal control rules such as Connected Transaction Management Measures.

LETTER FROM THE BOARD

- (c) under the leadership of the Board, the Company has set up a connected transaction leading group headed by the Chief Financial Officer. This connected transaction leading group is responsible for formulating and overseeing the internal control systems for the connected transactions, negotiating and signing various connected transaction agreements, regularly monitoring and reviewing the implementation of connected transactions (including but not limited to the implementation of agreed pricing policies and transaction amounts etc.), regularly reviewing the Group's internal control systems for the connected transactions and offering proposals for modification, organising the training of connected transactions across the Group and periodically conducting supervision and inspection of the connected transactions.
- (d) each subsidiary of the Group has established the connected transaction group headed by a senior manager responsible for finance. Specific personnel in the audit and discipline supervision department are arranged to be in charge of the pricing of the continuing connected transactions and required to strictly observe the pricing principles and policies for the continuing connected transaction to set the price for each transaction.
- (e) under the leadership of the connected transaction leading group, the Company's internal control and risk management departments conduct regular internal assessments on the internal control measures of the Company on an annual basis, in order to ensure that the internal control measures in respect of connected transactions remain complete and effective. Further, the legal departments conduct prudent review of the connected transaction contracts, the financial departments control pricing of the connected transactions and the contract implementation departments monitor the transaction amounts in a timely manner.
- (f) the Board reviews the implementation of the continuing connected transactions on an annual basis on matters mainly including: whether the Company and relevant connected person performed the continuing connected transaction agreement during the relevant period; whether the actual transaction amount incurred are within the annual caps as approved at the general meeting. The independent non-executive directors report to the general meeting of the Company on an annual basis on their performance of duties. Such reports include opinions on (i) whether the actual transaction amount incurred are within the annual caps as approved at the general meeting; (ii) whether the continuing connected transactions are conducted pursuant to the agreements; and (iii) whether the terms of the continuing connected transactions are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Shareholders of the Company as a whole.

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- (g) the supervisory committee of the Company supervises the matters relating to the continuing connected transactions. It reviews the annual financial reports which consist of the implementation of the continuing connected transactions on an annual basis. It also reviews the domestic and overseas compliance of the connected transactions, whether the prices are fair and reasonable and whether there are any acts which are detrimental to the interests of the Company and the Shareholders.
- (h) the audit committee of the Company reviews the annual reports and annual financial reports which consist of the implementation of the continuing connected transactions and opine on the connected transactions during the relevant periods on matters mainly including the fairness of the connected transactions and whether the actual transaction amount incurred are within the annual caps.
- (i) the external auditor of the Company conducts year-end audit for each financial year, issues its opinions and letters to the Board in relation to the implementation of the pricing policies and whether the actual connected transaction amount incurred is within the annual caps during the preceding year pursuant to the Listing Rules and submits the same to the Stock Exchange.

For Construction Services, Equipment Services and Consultation Services under the Renewed Engineering Construction Services Framework Agreement and the purchase of products and services under the Renewed Purchase Agreement:

- (a) where tendering process is necessary under applicable laws, regulations and rules, the Group shall organise public tendering process in accordance with the Company's internal tendering rules, including issuing tendering announcement, reviewing qualification of bidders, establishing tendering review committee, bid opening, bid reviewing, public disclosure of the bid winner, bid determination and issuing the tender awarding announcement. The Group shall consider the qualification, experience and bid price of suppliers to decide the bid winner, and shall determine the final price based on the results of such public tendering process.
- (b) where tendering process is not necessary under applicable laws, regulations and rules, the Group shall negotiate with CNNC and/or its associates and independent suppliers separately. The prices shall be determined according to the aggregated amount of the actual total costs for providing the relevant services, reasonable profits and taxes. Where possible, the management shall consider at least two comparable transactions with independent suppliers for the same period when determining the reasonable profit of any services under the Renewed Engineering Construction Services Framework Agreement.

LETTER FROM THE BOARD

The Group's construction projects require relatively complex radiation protection, and shall be completed by professional service providers with relevant qualifications and experience. There is a limited number of such service providers having relevant qualifications and experience in China, the majority of which are CNNC and/or its associates. The Group will invite CNNC and/or its associates with relevant qualifications as well as qualified independent suppliers to attend the public tendering process or negotiate with CNNC and/or its associates with relevant qualifications as well as qualified independent suppliers.

The Company has formulated a series of procurement policies to manage the procurement process and reduce cost. The tendering process will be managed by the Group to strictly follow the rules and requirements of the Bidding Law of the PRC, and in the case other than through tendering process, the Group will adopt different measures to encourage competition among potential suppliers including CNNC and/or its associates and independent suppliers. CNNC and/or its associates and independent suppliers will be treated fairly.

The Company will regularly contact its suppliers (including CNNC and/or its associates and independent suppliers) to understand the market conditions. The audit and discipline supervision department will monitor the whole process, and the legal department of the Group will negotiate contractual terms with suppliers.

Given the Group has established above procurement measures, the Directors are of the view that the pricing policy under each renewed agreement can ensure that the transactions will be conducted on normal commercial terms.

In respect of the Directors attending the Board meeting, connected Directors Mr. Han Yongjiang, Mr. Zhang Junqi, Mr. Fan Guomin, Mr. Chen Zan, Mr. Ding Jianmin and Ms. Liu Xiuhong were considered to have material interests in the above three transactions by virtue of being employed by CNNC and its associates and had thus abstained from voting on the Board resolution(s) in respect of the revision of annual caps under the Renewed Agreements.

The Directors (excluding the independent non-executive Directors who shall form their views after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Renewed Agreements are determined through arm's length negotiation on normal commercial terms, and the transactions contemplated and the proposed annual caps under each of them are fair and reasonable, entered into in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

General Information

the Company

The Company and its subsidiaries are primarily engaged in the research, development, manufacturing and sale of diagnostic and therapeutic radio pharmaceuticals and radioactive source products for medical and industrial applications. The Company also provides irradiation services for sterilisation purpose and engineering, procurement and construction (EPC) services for the design, manufacturing and installation of gamma ray irradiation facilities. In addition, the Company provides independent clinical laboratory services to hospitals and other medical institutions.

CNNC

CNNC was established on 29 June 1999 and is principally engaged in scientific research and development, construction and production operations in nuclear power, nuclear power generation, nuclear fuel, natural uranium, nuclear environmental protection, non-nuclear civilian products, new energy sources, etc. The ultimate beneficial owner of CNNC is the State-owned Assets Supervision and Administration Commission of the State Council.

Listing Rules Implications

As at the Latest Practicable Date, CNNC is the controlling Shareholder of the Company, holding approximately 73.83% of the Company's total issued share capital directly or indirectly through CIAE, NPIC, CNNC Fund, 404 Company and China Baoyuan. Therefore, CNNC and its associates are connected persons of the Company and the transactions under each of the Renewed Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. In accordance with the Listing Rules, CNNC and its associates, being materially interested, will abstain from voting at the EGM on each of the resolutions to consider: (i) the proposed revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement; (ii) the proposed revision of the annual caps under the Renewed Purchase Agreement; and (iii) the proposed revision of the annual caps under the Renewed Supply Agreement.

As one or more of the applicable percentage ratios in respect of the proposed revised annual caps under each of the Renewed Agreements for the two years ending 31 December 2024 and 2025 exceed 5%, the transactions contemplated under each of them are all subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. PROPOSED APPOINTMENT OF DOMESTIC AUDITOR FOR 2024

The Board proposed to appoint ShineWing Certified Public Accountants (Special Partnership) (信永中和會計師事務所(特殊普通合夥)) as the Company's domestic auditor for 2024 and its fee shall be 54% of the standard annual final accounts audit fee published by Beijing Municipal Finance Bureau, which is subject to the approval of Shareholders at the EGM.

LETTER FROM THE BOARD

6. EGM

The Company will convene the EGM at 10:30 a.m. on Wednesday, 13 November 2024 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, China. Notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. The proxy form for the EGM is enclosed herewith.

Shareholders who intend to appoint a proxy to attend the EGM are requested to complete the relevant proxy forms in accordance with the instructions printed thereon. The relevant proxy forms shall be lodged with (in respect of holders of H Shares) the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or (in respect of holders of Domestic Shares) the Company's head office and principal place of business in the PRC at No. 66 Changwa Middle Street, Haidian District, Beijing, China, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the relevant proxy form will not prevent you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed herein, none of the other Shareholders shall abstain from voting at the EGM.

7. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 68 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll, except that the chairman of the meeting makes a decision in good faith and votes by a show of hands. Accordingly, the chairman of the EGM will demand a poll in relation to every resolution proposed at the EGM.

8. RECOMMENDATION

Your attention is drawn to:

- (i) the letter from the Independent Board Committee set out on pages 19 to 20 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to whether the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement are on normal commercial terms which are fair and reasonable, are being entered into in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole; and

LETTER FROM THE BOARD

- (ii) the letter from Rainbow Capital set out on pages 21 to 44 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the revision of annual caps under the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement.

The Board (including the Independent Board Committee after taking into account the advice of Independent Financial Adviser) considers that all resolutions to be proposed at the EGM are in the interests of the Company and the Shareholders as a whole, and recommends the Shareholders to vote in favour of all such resolutions.

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

By order of the Board
China Isotope & Radiation Corporation
Han Yongjiang
Chairman

Beijing, the PRC, 24 October 2024



CHINA ISOTOPE & RADIATION CORPORATION

中國同輻股份有限公司

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

(Stock Code: 1763)

24 October 2024

To Independent Shareholders

Dear Sir/Madam,

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular of the Company to the Shareholders dated 24 October 2024 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you as to whether the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement are on normal commercial terms which are fair and reasonable, are being entered into in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to you and us in relation to the revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement. Details of its recommendation are set out in Letter from Rainbow Capital on pages 21 to 44 of the Circular.

Your attention is also drawn to the Letter from the Board set out on pages 4 to 18 of the Circular and the additional information set out in the appendices to the Circular.

Having considered the opinion of the Independent Financial Adviser in relation to the revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement, we consider that such terms are on normal commercial terms which are fair and reasonable, are being entered into in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that you vote in favour of the ordinary resolutions set out in the notice of EGM to approve the revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement, the Renewed Purchase Agreement and the Renewed Supply Agreement.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Poon Chiu Kwok

Ms. Chen Jingshan

Mr. Lu Chuang

Mr. An Rui

Independent non-executive Directors

LETTER FROM RAINBOW CAPITAL

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.

Rainbow Capital (HK) Limited

24 October 2024

To the Independent Board Committee and the Independent Shareholders

China Isotope & Radiation Corporation
No. 66 Changwa Middle Street
Haidian District
Beijing, the PRC

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of the annual caps under each of the Renewed Agreements, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 24 October 2024 (the “**Circular**”), of which this letter forms a part of. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

The Board has resolved and proposed on 30 August 2024 to revise the annual caps under each of the Renewed Agreements for the two years ending 31 December 2024 and 2025.

As at the Latest Practicable Date, CNNC is the controlling Shareholder of the Company, holding approximately 73.83% of the Company’s total issued share capital directly or indirectly through CIAE, NPIC, CNNC Fund, 404 Company and China Baoyuan. Therefore, CNNC and its associates are connected persons of the Company and the transactions under each of the Renewed Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. In accordance with the Listing Rules, CNNC and its associates, being materially interested, will abstain from voting at the EGM on each of the resolutions to consider: (i) the proposed revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement; (ii) the proposed revision of the annual caps under the Renewed Purchase Agreement; and (iii) the proposed revision of the annual caps under the Renewed Supply Agreement.

LETTER FROM RAINBOW CAPITAL

As one or more of the applicable percentage ratios in respect of the proposed revised annual caps under each of the Renewed Agreements for the two years ending 31 December 2024 and 2025 exceed 5%, the transactions contemplated under each of them are all subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Poon Chiu Kwok, Ms. Chen Jingshan, Mr. Lu Chuang and Mr. An Rui, has been formed to advise the Independent Shareholders on whether the Renewed Agreements are on normal commercial terms which are fair and reasonable, are being entered into in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, or CNNC that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to (i) the major and continuing connected transactions, the revision of annual caps of continuing connected transactions and the amendment to the terms of the fund partnership agreement, details of which are set out in the circular of the Company dated 15 May 2023; and (ii) the renewal of the engineering construction services framework agreement and the disposal of 100% equity interest in the target company, details of which are set out in the circular of the Company dated 6 December 2023. Other than that, there was no engagement or connection between the Group or CNNC and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Transactions. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Renewed Agreements.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth,

LETTER FROM RAINBOW CAPITAL

accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available and corroborated and substantiated any public information referred to in this letter to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group or any of their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the Renewed Agreements, we have taken into account the principal factors and reasons set out below:

1. Information of the Group and CNNC

(i) The Group

The Group is primarily engaged in the research, development, manufacturing and sale of diagnostic and therapeutic radio pharmaceuticals and radioactive source products for medical and industrial applications. The Group also provides irradiation services for sterilisation purpose and engineering, procurement and construction (EPC) services for the design, manufacturing and installation of gamma ray irradiation facilities. In addition, the Group provides independent clinical laboratory services to hospitals and other medical institutions.

LETTER FROM RAINBOW CAPITAL

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2023 (“**FY2022**” and “**FY2023**”, respectively) as extracted from the Company’s annual report for FY2023, and for the six months ended 30 June 2023 and 2024 (“**6M2023**” and “**6M2024**”, respectively) as extracted from the Company’s interim report for 6M2024 (the “**2024 Interim Report**”):

(a) *Financial performance*

	FY2022	FY2023	6M2023	6M2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>(Restated)</i>		<i>(Restated)</i>	
Revenue	6,153,549	6,634,992	2,739,483	2,810,279
Gross profit	3,517,682	3,482,239	1,485,483	1,464,150
<i>Gross profit margin</i>	<i>57.2%</i>	<i>52.5%</i>	<i>54.2%</i>	<i>52.1%</i>
Other income, gains and losses	91,222	240,928	30,637	25,999
Selling and distribution expenses	(1,788,089)	(1,768,368)	(779,630)	(678,170)
Administrative expenses	(575,149)	(635,914)	(248,329)	(277,154)
Research and development costs	(300,510)	(306,051)	(135,508)	(111,647)
Impairment losses on trade and other receivables	(31,193)	(71,236)	(12,945)	(13,749)
Finance costs	(35,336)	(36,142)	(15,713)	(24,091)
Share of profits less losses of associates	8,618	(14,303)	4,352	(4,838)
Share of profit of joint ventures	33,548	31,284	20,759	11,773
Profit before tax	920,793	922,437	349,106	392,273
Profit attributable to the Shareholders	392,275	370,967	125,413	154,496

FY2023 compared to FY2022

Revenue of the Group increased by approximately 7.8% from approximately RMB6,153.5 million for FY2022 to approximately RMB6,635.0 million for FY2023, mainly due to the increase in radiation therapy equipment segment and medical device segment as a result of the Group’s hard work to develop the market during the year.

LETTER FROM RAINBOW CAPITAL

Despite the increase in revenue during the period, gross profit of the Group decreased by approximately 1.0% from approximately RMB3,517.7 million for FY2022 to approximately RMB3,482.2 million for FY2023 as a result of the decrease in the Group's gross profit margin from approximately 57.2% for FY2022 to approximately 52.5% for FY2023. The decrease in gross profit margin was primarily attributable to a change in the Company's sales structure as a result of an increase in the business volume and revenue share of the radiation therapy equipment which, due to the nature of its business, had a lower gross profit margin than other business segments of the Group.

The Group's profit attributable to the Shareholders amounted to approximately RMB371.0 million for FY2023, representing a decrease of approximately 5.4% from approximately RMB392.3 million for FY2022.

6M2023 vs 6M2024

Revenue of the Group increased by approximately 2.6% from approximately RMB2,739.5 million for 6M2023 to approximately RMB2,810.3 million for 6M2024, which was mainly due to the Company's hard work to expand the market during the period, leading to an increase in revenue generated from radioactive source, irradiation and other business segments.

The Group's gross profit decreased by approximately 1.4% from approximately RMB1,485.5 million for 6M2023 to approximately RMB1,464.2 million for 6M2024 and the Group's gross margin decreased from approximately 54.2% for 6M2023 to approximately 52.1% for 6M2024. The decrease in gross margin was primarily due to the decrease in the gross profit of the radiopharmaceuticals products.

The Group's profit attributable to the Shareholders amounted to approximately RMB154.5 million for 6M2024, representing an increase of approximately 23.2% from approximately RMB125.4 million for 6M2023, which was mainly due to the decrease in selling and distribution expenses as a result of the changes in pharmaceuticals sales policies.

LETTER FROM RAINBOW CAPITAL

(b) *Financial position*

	As at 31 December		As at
	2022	2023	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>(restated)</i>		
Non-current assets, including:	4,245,880	4,997,241	5,262,997
Property, plant and equipment	2,939,823	3,601,172	3,845,215
Interests in joint ventures	512,867	503,514	470,133
Deferred tax assets	222,460	220,431	237,654
Current assets, including:	7,543,843	8,194,469	8,479,589
Inventories	678,560	814,165	1,089,590
Trade and bill receivables	3,495,093	3,876,341	3,998,300
Cash at bank and on hand	2,954,032	2,891,624	2,723,263
Total assets	11,789,723	13,191,710	13,742,586
Current liabilities, including:	4,031,413	4,253,921	4,414,399
Bank loans	37,196	196,310	360,098
Trade payables	494,102	626,668	738,591
Accruals and other payables	3,289,544	3,255,920	3,165,055
Net current assets	3,512,430	3,940,548	4,065,190
Non-current liabilities, including:	1,148,702	1,798,461	2,003,183
Bank loans	786,513	1,447,011	1,649,267
Total liabilities	5,180,115	6,052,382	6,417,582
Equity attributable to the Shareholders	4,468,659	4,693,320	4,745,005

As at 30 June 2024, total assets of the Group amounted to approximately RMB13,742.6 million, which mainly included (1) property, plant and equipment of approximately RMB3,845.2 million, mainly representing the Group's buildings, machinery and equipment and construction in progress; (2) inventories of approximately RMB1,089.6 million; (3) trade and bill receivables of approximately RMB3,998.3 million; and (4) cash at bank and on hand of approximately RMB2,723.3 million.

LETTER FROM RAINBOW CAPITAL

As at 30 June 2024, total liabilities of the Group amounted to approximately RMB6,417.6 million, which mainly included (1) accruals and other payables of approximately RMB3,165.1 million which mainly consisted of deposits from distributors, payables to distributors, payables for staff-related costs and dividends payables; and (2) bank loans of approximately RMB2,009.3 million.

As at 30 June 2024, the Group had net current assets of approximately RMB4,065.2 million and equity attributable to the Shareholders of approximately RMB4,745.0 million.

(c) Overall comment

The financial performance of the Group improved and recorded increase in revenue and net profit for 6M2024, as the Group continued to increase its market development efforts and proactively seized market opportunities.

The Group also maintained a healthy financial position with net current assets and equity attributable to the Shareholders amounting to approximately RMB4,065.2 million and RMB4,745.0 million, respectively, as at 30 June 2024.

(ii) CNNC

CNNC was established on 29 June 1999 and is principally engaged in scientific research and development, construction and production operations in nuclear power, nuclear power generation, nuclear fuel, natural uranium, nuclear environmental protection, non-nuclear civilian products, new energy sources, etc. The ultimate beneficial owner of CNNC is the State-owned Assets Supervision and Administration Commission of the State Council.

2. Reasons for and benefits of the revision of the annual caps under each of the Renewed Agreements

(i) Renewed Engineering Construction Services Framework Agreement

The Group has invested in many construction projects throughout its rapid development. In particular, as the preliminary work of several base projects has been further promoted recently and such projects will enter the construction stage, the Group will conclude a large number of specific engineering construction service contracts in succession. The Group's construction projects require relatively complex radiation protection, and shall be completed by professional service providers with relevant qualifications and experience. There is a limited number of such service providers having relevant qualifications and experience in China, the majority of which are CNNC and/or its associates. Therefore, it is very likely that the Group's engineering construction services will be eventually provided by CNNC and/or its associates by whatever means the Group selects engineering construction service providers.

LETTER FROM RAINBOW CAPITAL

For the eight months ended 31 August 2024, the transaction amount of engineering construction services under the Renewed Engineering Construction Services Framework Agreement was approximately RMB250 million (unaudited), accounting for 45.20% of the original annual cap for the year ending 31 December 2024.

CNNC Qinshan Isotope was incorporated into the Group's consolidated financial statements starting from December 2023. Therefore, the engineering construction services between CNNC Qinshan Isotope and CNNC and/or its associates need to be accounted for under the Renewed Engineering Construction Services Framework Agreement. The transaction amount generated from these transactions in 2024 is expected to be approximately RMB170 million.

The Company is planning to invest in new irradiation projects such as China Silver Dragon's Sterilization Center Project in Tianjin and Guangxi Yulin Irradiation Project as well as accelerate the construction of the Company's radiation source base project and North China base project.

Based on the historical transaction amounts that have occurred, the payment schedule for funds under the signed contracts under the above projects, the construction progress plan, and the recent proposed investment projects, the Board proposed to revise the annual caps for the engineering construction services provided by CNNC for the two years ending 31 December 2024 and 2025.

(ii) Renewed Purchase Agreement

Historically, CNNC and/or its associates have been the suppliers of raw and ancillary materials, production equipment, technology testing, and irradiation services to the Group in its ordinary course of business. CNNC has a leading position in the fields of nuclear materials processing, production of nuclear production equipment, nuclear technology testing and irradiation research and development. As a result of the long-term cooperation between the Group and CNNC and/or its associates in this regard, CNNC and/or its associates have accumulated knowledge and understanding in the Company's business needs for the products and services. Therefore, the Directors of the Company are of the view that it is efficient for the Company to continue such transactions with CNNC and/or its associates and it is in the best interests of the Company and the Shareholders as a whole.

For the eight months ended 31 August 2024, the transaction amount for the purchase of products and services under the Renewed Purchase Agreement was approximately RMB60 million (unaudited), accounting for 41.26% of the original annual cap for the year ending 31 December 2024.

LETTER FROM RAINBOW CAPITAL

The transaction amounts for processing fees for transactions between the Group and CNNC Qinshan Isotope (a connected subsidiary of the Company) are expected to be approximately RMB50 million and RMB100 million for 2024 and 2025, respectively.

The transaction amounts for irradiation service fees incurred by the Group with CNNC Nuclear Power Operation Management Company Limited and Qinshan Third Nuclear Power Company Limited (both associates of CNNC) are expected to be approximately RMB30 million and RMB100 million in 2024 and 2025, respectively.

The transaction amount for the enterprise resource planning system construction costs between the Group and CNNC and its associates is expected to be approximately RMB50 million in 2025.

Based on the historical transaction amounts that have occurred and the comprehensive consideration of the aforementioned proposed projects, the Board proposed to revise the annual caps for the procurement of products and services from CNNC for the two years ending 31 December 2024 and 2025.

(iii) Renewed Supply Agreement

The Group sells radioactive source products, radioactive instruments and pharmaceuticals to CNNC and/or its associates in its ordinary and usual course of business. For example, the Group sells isotope products to CNNC and/or its associates which are used in their engineering projects and radioactive products sold to their hospitals. The Group plays a critical role in the nuclear technology application business of CNNC and the scientific research services provided by the Group to CNNC are expected to increase gradually in the next two years. As a result, resources could be gathered to facilitate the success of key research and development projects of CNNC, creating synergy effect of enhancing the competitiveness of both CNNC and the Group along the whole industrial chain.

For the eight months ended 31 August 2024, the transaction amount for the supply of products and services under the Renewed Supply Agreement was approximately RMB60 million (unaudited), accounting for 41.14% of the original annual cap for the year ending 31 December 2024.

In 2024, the subsidiaries of the Company are applying to participate in the centralized research and development projects of CNNC and its associates. The transaction amounts incurred in 2024 and 2025 are expected to be approximately RMB60 million and RMB180 million, respectively.

LETTER FROM RAINBOW CAPITAL

The Company plans to conduct acquisitions in the future, and certain potential acquired subsidiary has daily transactions with CNNC and its associates. The transaction amounts generated from these transactions in 2024 and 2025 are expected to be approximately RMB70 million and RMB300 million, respectively.

Based on the historical transaction amounts that have occurred and the comprehensive consideration of the aforementioned proposed projects, the Board proposed to revise the annual caps for the supply of products and services to CNNC for the two years ending 31 December 2024 and 2025.

Based on the above, we concur with the Directors that the transactions under each of the Renewed Agreements are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Renewed Agreements

(i) Renewed Engineering Construction Services Framework Agreement

Details of the terms of the Renewed Engineering Construction Services Framework Agreement are set out in the Letter from the Board, which are summarized as follows:

Parties	:	CNNC (the supplier); and the Company (the purchaser)
Principal terms	:	CNNC and its associates (excluding the Group) shall provide the following services to members of the Group: (i) the Construction Services; (ii) the Equipment Services; and (iii) the Consultation Services.
Term	:	The agreement shall come into force on 1 January 2024 and expire on 31 December 2025, subject to renewal as may be agreed and negotiated upon by both parties.

LETTER FROM RAINBOW CAPITAL

Pricing policy : The following factors shall be considered in determining the specific price under the Renewed Engineering Construction Services Framework Agreement: (i) the costs for relevant products and services (including labour costs and material costs); (ii) the market conditions learnt by the Group from suppliers (including CNNC and its associates and independent suppliers); and (iii) with respect to purchase and sales contracts with significant amounts, public tendering shall be conducted in accordance with the internal tendering process of the Group, and the final price shall be determined based on the results of such process. The public tendering procedure includes issuing tender announcement, reviewing qualification of bidders, establishing tendering review committee, bid opening, bid reviewing, public disclosure of the bid winner, bid determination and issuing the tender results announcement. The bid reviewing experts of the tendering review committee are selected from the expert database of the bidding professional agency, and the expert database is composed of professionals from relevant fields. The Group will consider the qualifications, experience, and quotations of the suppliers to determine the successful bidder. The detailed pricing policy is as follows:

- (a) Construction Services: contract price of Construction Services: (1) in the case of selecting construction services providers through tendering process, the Company shall determine whether the services shall be provided by CNNC and/or its associates based on the results of such process, and the contract price shall be the award price; (2) in the case of selecting construction services providers other than through tendering process, the Company shall determine that the services shall be provided by CNNC and/or its associates after evaluation and review, and the contract price shall be determined through negotiations (such price shall not violate laws, regulations and relevant national requirements).
- (b) Equipment Services: contract price of Equipment Services: (1) in the case of selecting equipment services providers through tendering process, the Company shall determine whether the services shall be provided by CNNC and/or its associates based on the results of such process, and the contract price shall be the award price; (2) in the case of selecting equipment services providers other than through tendering process, the Company shall determine that the services shall be provided by CNNC and/or its associates after evaluation and review, and the contract price shall be determined through negotiations (such price shall not violate laws, regulations and relevant national requirements).

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- (c) Consultation Services: contract price of Consultation Services: (1) in the case of selecting consultation services providers through tendering process, the Company shall determine whether the services shall be provided by CNNC and/or its associates based on the results of such process, and the contract price shall be the award price; (2) in the case of selecting consultation services providers other than through tendering process, the Company shall determine that the services shall be provided by CNNC and/or its associates after evaluation and review, and the contract price shall be determined through negotiations (such price shall not violate laws, regulations and relevant national requirements).

As stated above, it is stipulated under the pricing policy of the Renewed Engineering Construction Services Framework Agreement that, (i) where contract prices with respect to purchase and sales contracts are considered significant under each head of services that they are classed hereunder, service providers shall be selected through tendering process. In this case, the Company will determine whether it will opt for services provided by CNNC and/or its associates based on the results of such process, and once tender is awarded thereto, the award price shall be the price stipulated in the contract submitted to tender; and (ii) when selection of service providers is not made through tender, the Company shall base its decision on whether to opt for services provided by CNNC and/or its associates on the outcome of evaluation and review of the contractual terms, and the contract price will be determined through arm's length negotiations amongst the parties (provided that the price so determined shall not be in violation of any applicable laws, regulations and relevant national requirements).

According to the internal control policy of the Group, the Group shall organise public tendering process in accordance with the Company's internal tendering rules, including issuing tendering announcement, reviewing qualification of bidders, establishing tendering review committee, bid opening, bid reviewing, public disclosure of the bid winner, bid determination and issuing the tender results announcement. The bid reviewing experts of the tendering review committee are selected from the expert database of the bidding professional agency, and the expert database is composed of professionals from relevant fields. The Group shall consider the qualifications, experience and quotations of suppliers to determine the successful bidder, and shall determine the final price based on the results of such public tendering process.

In order to assess whether the above internal control procedures are sufficiently and effectively implemented, we have selected on a random basis, obtained and reviewed (i) seven, the only one and three sets of tender documents for the Construction Services, the Equipment Services and the Consultation Services of the Group during 2021 to 2023, respectively, with the winning bidder being CNNC and/or its associates; and (ii) four, four and three sets of tender documents for the Construction Services, the Equipment Services and the Consultation Services of the Group during 2021 to 2023, respectively, with the winning bidder being

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independent third parties. Based on our review of the tender documents, including but not limited to tendering announcement, tendering documents of CNNC and its associates and other independent qualified tenders, bid-winning notice and duly signed contracts, we noted that the Group had adhered to the internal procedures on tender process on each of the Construction Services, the Equipment Services and the Consultation Services, and the winning tenders were generally selected based on, among others, the price of the tender being more favourable than the other tenders.

In respect of services that are not selected through tender process, the Group will arrange for separate negotiation with CNNC and/or its associates and independent suppliers, upon which, prices shall be determined by taking into account, in each case, the aggregated total actual costs for services provided, whilst allowing for reasonable profits and factoring in taxes so payable. The management will consider, and before payment is approved in each case, the quotations of at least two comparable transactions with independent suppliers for the same period, where possible, so as to assess the reasonableness of the profits so gained by the Company's supplier for services so rendered under the Renewed Engineering Construction Services Framework Agreement. In this relation, we have also obtained and reviewed the only one, five and eight sets of agreements entered between the Group and CNNC and/or its associates and their corresponding comparable quotations with independent suppliers for the Construction Services, the Equipment Services and the Consultation Services during 2021 to 2023, respectively. Based on our review, we noted that the Group had also followed the internal procedures on quotations and the price and/or quality of services offered by CNNC and/or its associates were no less favourable than those provided by independent third parties.

Based on the review of the above documents, we consider the pricing policy of the transactions under the Renewed Engineering Construction Services Framework Agreement has been adherence in accordance with the Group's internal control procedures.

Taking into account that the Group has adopted sufficient and effective internal control measures to ensure the transactions under the Renewed Engineering Construction Services Framework Agreement follow the pricing mechanism, we consider the terms of the Renewed Engineering Construction Services Framework Agreement are on normal commercial terms which are fair and reasonable.

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(ii) Renewed Purchase Agreement

Details of the terms of the Renewed Purchase Agreement are set out in the Letter from the Board, which are summarized as follows:

- Parties : CNNC (the supplier); and
the Company (the purchaser)
- Principal terms : The Group shall purchase from CNNC and its associates (excluding the Group), and CNNC and its associates (excluding the Group) shall provide the Group: (i) various types of raw and ancillary materials, production equipment and other products; (ii) transportation containers (including the designing and manufacturing services for transportation containers); (iii) technology testing services; (iv) encapsulation and processing services of cobalt-60 radioactive sources; (v) scientific research services related to high-end irradiation research and development; and (vi) other services (the “**Purchased Products and Services**”).
- Term : The agreement shall come into force on 1 January 2024 and expire on 31 December 2025, subject to renewal as may be agreed and negotiated upon by both parties.
- Pricing policy : The Company shall determine the purchase prices by taking into account the following factors comprehensively:
- (i) The costs for relevant products and services (including labour costs and material costs).
 - (ii) The market conditions learnt by the Group from suppliers (including CNNC and its associates (excluding the Group) and independent suppliers).
 - (iii) With respect to purchase and sales contracts with significant amounts, public tendering shall be conducted in accordance with the internal tendering procedures of the Group, and the final price shall be determined based on the results of such process.

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As advised by the management of the Group, during 2021 to 2023, the Group did not purchase the Purchased Products and Services from any independent suppliers and the Group did not organise public tendering process for the Purchased Products and Services since the amount of each contract was not significant and CNNC has a leading position in the fields of nuclear materials processing, production of nuclear production equipment, nuclear technology testing and irradiation research and development. We have obtained the only one set of tender documents for the Purchased Products and Services in 2024, and noted that three service providers submitted the tendering documents and the Group had adhered to the internal procedures on tender process and awarded the project to CNNC's associate as it offered a more favourable service plan and fee quote.

In assessing the fairness and reasonableness of the principal terms of the Renewed Purchase Agreement, we have selected on a random basis, obtained and reviewed eight, nine and nine purchase contracts entered into between the Group and CNNC and its associates during 2021 to 2023, respectively. We noted the purchase price was determined by reference to the cost of the Purchased Products and Services (including labour costs and material costs) and the latest market conditions. We have independently searched the market price of certain products purchased by the Group from CNNC's associates, and noted the purchase price offered by CNNC's associates was not less favourable to the Group than the market price.

Based on the review of the above contracts, we consider the terms of the Renewed Purchase Agreement are on normal commercial terms which are fair and reasonable.

(iii) Renewed Supply Agreement

Details of the terms of the Renewed Purchase Agreement are set out in the Letter from the Board, which are summarized as follows:

Parties	:	CNNC (the purchaser); and the Company (the supplier)
Principal terms	:	CNNC and its associates (excluding the Group) shall purchase from the Group, and the Group shall supply to CNNC and its associates (excluding the Group) various types of products, i.e. radioactive source products, radioactive instruments and pharmaceuticals and other products, and the Group shall provide detection, recycling, transportation and reloading services related to the sales of such products, scientific research services related to research and development projects, and other services.

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- Term : The agreement shall come into force on 1 January 2024 and expire on 31 December 2025, subject to renewal as may be agreed and negotiated upon by both parties.
- Pricing policy : The specific product prices to be received by the Group from CNNC and its associates (excluding the Group) shall be determined by relevant parties through fair negotiation, and the terms shall not be more favourable than those entered into between the Company and Independent Third Parties in the latest three months. The Company shall make reference to the historical prices of the products and collect information on market price and profit margin of relevant products from industry associations, industry peers and other channels, and determine the prices based on the average market profit margin or on cost-plus basis in order to ensure the fairness and reasonableness of the prices of products and services provided. The relevant cost consists of raw materials, ancillary materials, depreciation, labor cost, energy, administrative expenses and finance costs. With respect to transportation and other supplementary services, the service cost shall be reflected in the cost of sales of products accordingly. The price of scientific research services provided by the Group to CNNC and its associates (excluding the Group) shall be mainly determined by both parties through negotiation, having taken into account the relevant scientific research cost.

In assessing the fairness and reasonableness of the principal terms of the Renewed Supply Agreement, we have selected on a random basis, obtained and reviewed three, three and three sales contracts entered into between the Group and CNNC and its associates during 2021 to 2023, respectively. For comparison purpose, we have also obtained and reviewed three, three and three sales contracted between the Group and the independent customers during 2021 to 2023, respectively. We noted the sales price offered by the Group to CNNC and its associates was not less favourable to the Group than the sales price offered by the Group to the independent customers.

Based on our review of the above contracts, we consider the terms of the Renewed Supply Agreement are on normal commercial terms which are fair and reasonable.

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4. Assessment of the proposed revised annual caps

(i) Renewed Engineering Construction Services Framework Agreement

Set out below are the existing annual cap and actual transaction amount of the Renewed Engineering Construction Services Framework Agreement for the period indicated:

	Existing annual cap for the year ending 31 December 2024 (A) (RMB'000)	Actual amount incurred for the eight months ended 31 August 2024 (B) (RMB'000)	Utilisation rate (B/A)
Engineering construction services	550,000	248,609	45.2%

As shown in the table above, the actual transaction amount for the engineering construction services provided by CNNC and/or its associates to the Group under the Renewed Engineering Construction Services Framework Agreement amounted to approximately RMB248.6 million for the eight months ended 31 August 2024, representing approximately 45.2% of the existing annual cap for the year ending 31 December 2024.

As advised by the management of the Group, such low utilisation rate for the eight months ended 31 August 2024 was primarily attributable to that the Group's projects were still under construction as at 31 August 2024 and the management of the Group expected that the principal portion of the payments will be made until the end of 2024.

The proposed revised annual caps for the engineering construction services for the two years ending 31 December 2025 are set out below:

	For the year ending 31 December 2024 (RMB'000)	For the year ending 31 December 2025 (RMB'000)
Engineering construction services	790,000	1,150,000

In assessing the reasonableness of the proposed revised annual caps under the Renewed Engineering Construction Services Framework Agreement, we have obtained and reviewed (a) the existing engineering construction contracts for 11 projects, pursuant to which the service fees of approximately RMB566 million and approximately RMB253 million are expected to be paid by the Group for the two years ending 31 December 2025, respectively; and (b) the project proposals for 7 new projects, pursuant to which the service fees of approximately RMB224 million and approximately RMB897 million are expected to be paid by the Group for the two years ending 31 December 2025, respectively.

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As stated in the 2024 Interim Report, as at 30 June 2024, the Group's cumulative number of pharmaceutical centers in operation reached 26, six pharmaceutical centers have entered the construction/certification stage, and five were in the pre-project phase, gradually improving the network layout of national pharmaceutical centers. In order to further enhance the R&D and production capacity of the Group in the fields of radiopharmaceuticals and radioactive sources, the Group has been vigorously promoting the construction of R&D and production bases of isotopes and their products in recent years. In addition, aiming to build a leading irradiation application enterprise in China, the Group is exploring new areas for application of irradiation, accelerates the construction of irradiation bases and improves the layout of irradiation processing service network.

Taking into account that the proposed revised annual caps were calculated based on the service fee to be incurred for the Group's ongoing construction of 11 existing projects and its plan to invest in and construct 7 new projects to accelerate its pace of building technological innovation ability and production capacity, we are of the view that the proposed revised annual caps under the Renewed Engineering Construction Services Framework Agreement are fair and reasonable.

(ii) Renewed Purchase Agreement

Set out below are the existing annual cap and actual transaction amount of the Renewed Purchase Agreement for the period indicated:

	Existing annual cap for the year ending 31 December 2024 (A) (RMB'000)	Actual amount incurred for the eight months ended 31 August 2024 (B) (RMB'000)	Utilisation rate (B/A)
Purchase of products and services	150,000	61,889	41.3%

As shown in the table above, the actual transaction amount for the purchase of products and services by the Group under the Renewed Purchase Agreement amounted to approximately RMB61.9 million for the eight months ended 31 August 2024, representing approximately 41.3% of the existing annual cap for the year ending 31 December 2024.

As advised by the management of the Group, such low utilisation rate for the eight months ended 31 August 2024 was primarily due to that more of the Group's purchases are typically made in the second half of the year. The transaction amount of the purchase of products and services was approximately RMB150.2 million for year ended 31 December 2023.

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The proposed revised annual caps for the Renewed Purchase Agreement for the two years ending 31 December 2025 are set out below:

	For the year ending 31 December 2024 <i>(RMB'000)</i>	For the year ending 31 December 2025 <i>(RMB'000)</i>
Purchase of products and services	250,000	445,000

In assessing the reasonableness of the proposed revised annual caps under the Renewed Purchase Agreement, we have obtained and reviewed (a) six existing purchase contracts, pursuant to which the purchase amounts of approximately RMB60.8 million and RMB40.2 million are expected to be recognised for the two years ending 31 December 2025, respectively; (b) the draft purchase contract to be entered into between the Group and an associate of CNNC in 2024, pursuant to which the purchase amounts of approximately RMB30.0 million and RMB100.0 million are expected to be recognised for the two years ending 31 December 2025, respectively; and (c) the purchase plans of the subsidiaries of the Company, pursuant to which the Group expects to purchase additional products and services of approximately RMB159.2 million and RMB304.8 million from CNNC and its associates for the two years ending 31 December 2025, respectively.

We have performed independent research on the industry outlook of radiopharmaceuticals sector in the PRC. According to the “Medium and Long-term Development Plan for Medical Isotopes (2021-2035)” (醫用同位素中長期發展規劃 (2021-2035年)), jointly issued by the China Atomic Energy Authority, the Ministry of Science and Technology, the National Medical Products Administration and five other government authorities in May 2021, it aims to advance the research and development of new radiopharmaceuticals, accelerate the realization of independent production and supply of medical isotopes, promote the clinical application of radiopharmaceuticals and increase the concern and awareness of medical isotopes and related industries from all walks of life. In January 2023, Sichuan province released the “Action Plan for the Development of Medical Isotopes and Radiopharmaceuticals Industry in Sichuan Province (2022-2025)” (四川省醫用同位素及放射性藥物產業發展行動計劃 (2022-2025)), it proposes that efforts will be made to build an advanced and complete nuclear medical and health industry system in Sichuan province. With the promulgation of favorable government policies to support the development and supply of the medical isotopes in the PRC, the Chinese radiopharmaceuticals market is expected to continue to grow in future. As such, we consider the Group’s expected demand for the products and services provided by CNNC and its associates to be reasonable for the overall coordinated business development of the Company’s subsidiaries.

Taking into account (a) the existing purchase contracts entered into and the draft purchase contract to be entered into between the Group and CNNC and its associates; and (b) the Group’s increasing demand for the products and services provided by CNNC and its associates in line with industry growth and the Group’s business development, we are of the view that the proposed revised annual caps under the Renewed Purchase Agreement are fair and reasonable.

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(iii) Renewed Supply Agreement

Set out below are the existing annual cap and actual transaction amount of the Renewed Supply Agreement for the period indicated:

	Existing annual cap for the year ending 31 December 2024 (A) (RMB'000)	Actual amount incurred for the eight months ended 31 August 2024 (B) (RMB'000)	Utilisation rate (B/A)
Supply of products and services	150,000	61,714	41.1%

As shown in the table above, the actual transaction amount of the supply of products and services by the Group under the Renewed Supply Agreement amounted to approximately RMB61.7 million for the eight months ended 31 August 2024.

The proposed revised annual caps for the Renewed Supply Agreement for the two years ending 31 December 2025 are set out below:

	For the year ending 31 December 2024 (RMB'000)	For the year ending 31 December 2025 (RMB'000)
Supply of products and services	300,000	700,000

In assessing the reasonableness of the proposed revised annual caps under the Renewed Supply Agreement, we have obtained and reviewed the Group's calculation of the estimated transaction amount under the Renewed Supply Agreement for the two years ending 31 December 2025. We noted the expected increase in the transaction amount under the Renewed Supply Agreement is mainly due to the following factors:

- (a) The Group has applied to participate in the centralised research and development project of CNNC and its associates and the scientific research service fees are expected to be approximately RMB60.0 million and RMB180.0 million for the two years ending 31 December 2025, respectively.
- (b) The Group proposes to acquire a target company (the "**Target Company**") which is engaged in the manufacture and sale of electron accelerator irradiation devices and provision of maintenance services. The acquisition is expected to be completed by the end of 2024. The Target Company was listed on National Equities Exchange and Quotations and has been provided products and services to CNNC's associates. We have reviewed the interim report of the Target Company for the six months ended

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30 June 2024 and noted the transaction amount of supply of products and services by the Target Company to CNNC's associates was approximately RMB31.7 million for the six months ended 30 June 2024. As such, the transaction amount is expected to be approximately RMB70.0 million for the year ending 31 December 2024. As CNNC's associates plan to purchase additional electron accelerator irradiation devices from the Target Company in 2025, the transaction amount is expected to be approximately RMB300.0 million for the year ending 31 December 2025.

- (c) The Group plans to launch new medical equipment in 2024 and 2025 which are expected to contribute to the increase in the transaction amount of approximately RMB10.0 million and RMB70.0 million for the two years ending 31 December 2025, respectively.
- (d) The Group expects to provide radioactive source products of approximately RMB60 million for the startup of new nuclear reactors in Xiapu of CNNC's associates for the year ending 2025.

Taking into account the above factors, we consider the proposed revised annual caps under the Renewed Supply Agreement to be fair and reasonable.

5. Internal control measures of the Group

In order to protect the interests of the Shareholders, the Group has adopted certain internal control procedures to monitor the utilisation of the annual cap, details of which are set out in the section headed "Internal Control System for Continuing Connected Transactions" in the Letter from the Board.

As stated in the Letter from the Board, the Company has established (i) the reporting, approval and, if necessary, selection and verification procedures, to ensure that the agreed prices and terms of the continuing connected transactions are no less favorable than those that may be granted by relevant members of the Group to the Independent Third Parties or be granted by Independent Third Parties to the relevant members of the Group (if applicable), and are in compliance with the pricing policies; and (ii) the procedures and policies for identifying the connected persons and monitoring the annual caps of continuing connected transactions. Such procedures and internal control measures mainly include:

- (i) The transactions contemplated under the Agreements are conducted on a nonexclusive basis;
- (ii) The Company has adopted such rules of internal control as exemplified by the Connected Transaction Management Measures;

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- (iii) Under the leadership of the Board, the Company has set up a connected transaction leading group headed by the chief financial officer, which is responsible for formulating and overseeing the internal control systems for the connected transactions, negotiating and signing various connected transaction agreements, regularly monitoring and reviewing the implementation of connected transactions (including but not limited to the implementation of agreed pricing policies and transaction amounts, etc.), regularly reviewing the Group's internal control systems for the connected transactions and offering proposals for modification, organizing (on an annual basis) the training of connected transactions across the Group and conducting periodic supervision and inspection of the connected transactions, etc.;
- (iv) Each subsidiary of the Group has established its own connected transaction group as headed by a senior manager responsible for finance. Specific personnel in the audit and discipline supervision department are placed in charge of pricing of the continuing connected transactions and required to strictly observe the pricing principles and policies for the setting of price for each of the continuing connected transactions disclosed in this announcement;
- (v) Under the leadership of the connected transaction leading group, the Company's internal control and risk management department conducts regular internal assessments on the internal control measures of the Company on an annual basis, in order to ensure that the internal control measures in respect of connected transactions remain comprehensive and effective. Further, the audit department (legal compliance department) is tasked with conducting prudent review of the connected transaction contracts, whilst the finance department is entrusted with the control of pricing of the connected transactions and the contract implementation department is responsible for monitoring the transaction amounts in a timely manner;
- (vi) Connected transactions of the Company shall be conducted in accordance with the Company's internal control procedures, and all of the Company's subsidiaries are required to submit implementation reports of connected transactions on a monthly basis. The Company shall thereupon consolidate, review, sum up and analyze data so collected in order to monitor the transaction amounts concerned and ensure that they are kept within the annual caps, and recommends improvement measures for any issues identified;
- (vii) The Board reviews the implementation of the continuing connected transactions on an annual basis and reviews the financial reports where implementation of continuing connected transactions are being disclosed on a half-yearly basis. Matters under review shall mainly include: whether the Company and the relevant connected person(s) have performed the continuing connected transaction agreement during the relevant period and whether the actual transaction amounts incurred are within the annual caps as approved at the general meeting;

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- (viii) Reports are made by the independent non-executive Directors on the performance of their duties to the general meeting of the Company on an annual basis. Such reports include opinions on (a) whether the actual transaction amounts incurred are within the annual caps under the continuing connected transactions as approved at the general meeting; (b) whether the continuing connected transactions are conducted pursuant to the relevant agreements; and (c) whether the terms of the continuing connected transactions are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Shareholders of the Company as a whole;
- (ix) The supervisory committee of the Company supervises on matters pertaining to the continuing connected transactions. Among its responsibilities are the reviewing of annual financial reports and interim financial reports where implementation of continuing connected transactions is disclosed. It is also tasked with compliance review of connected transactions under the relevant regulatory requirements in domestic and overseas listing venues, and conducting review on whether the prices for such transactions are fair and reasonable and whether the performance of the obligations thereunder are detrimental to the interests of the Company and the Shareholders;
- (x) The audit committee of the Company reviews annual financial reports, annual reports, interim financial reports and interim reports where disclosure is made accordingly on the implementation of the continuing connected transactions and opines on the connected transactions during the reporting periods on matters such as the fairness of the connected transactions and whether the actual transaction amounts incurred are within the annual caps prescribed for the continuing connected transactions; and
- (xi) The external auditor of the Company conducts interim and year-end audit for each financial year, issues its opinions and letters to the Board in relation to the implementation of the pricing policies under the continuing connected transactions and whether the actual connected transaction amounts incurred are within the annual caps prescribed for the continuing connected transactions during the preceding year pursuant to the Listing Rules and submits the same to the Stock Exchange.

In assessing whether the above internal control measures are put in place and effectively implemented, we have obtained and reviewed the monthly reports issued by the finance department of the Company on the actual transaction amounts of each of the Renewed Agreements and noted that the annual caps had been closely monitored.

In addition, as stated in the section headed “3. Principal terms of the Renewed Agreements” above, we have obtained and reviewed (i) the tender documents as well as the comparable quotations received by the Group for engineering construction services during 2021 to 2023; (ii) sample purchase contracts entered into between the Group and CNNC and its associates during 2021 to 2023; and (iii) sample supply contracts entered into between the

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Group and CNNC and its associates or the independent customers during 2021 to 2023. Based on our review, we noted that the internal control procedures had been adhered and were in accordance with the pricing mechanism under the Renewed Agreements. As such, we are of the view that appropriate and adequate internal control procedures are in place to ensure that the transactions contemplated under the Renewed Agreements will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Renewed Agreements are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Renewed Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the EGM to approve the revision of the annual caps under each of the Renewed Agreements.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST**Directors, Supervisors and chief executive of the Company**

As at the Latest Practicable Date, based on the information available to the Company and to the best knowledge of the Directors, none of the Directors, Supervisors or chief executive of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which was required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register pursuant to section 336 of SFO:

Shareholder	Class of Shares	Nature of interest	Number of Shares held ⁽⁵⁾	Approximate percentage of shareholding in the relevant class of Shares %	Approximate percentage of shareholding in the total share capital of our Company %
CNNC ⁽¹⁾	Domestic Shares	Interest of controlled corporation	236,150,233(L)	98.43(L)	73.83
CIAE ⁽¹⁾	Domestic Shares	Beneficial owner	58,534,835(L)	24.40(L)	18.30
NPIC ⁽¹⁾	Domestic Shares	Beneficial owner	46,994,835(L)	19.59(L)	14.69
CNNC Fund ⁽¹⁾	Domestic Shares	Beneficial owner	18,779,342(L)	7.83(L)	5.87
China Baoyuan ⁽¹⁾	Domestic Shares	Beneficial owner	108,085,353(L)	45.05(L)	33.79
Shanghai Industrial Investment (Holdings) Company Limited (“SIIC”) ⁽²⁾	H Shares	Interest of controlled corporation	17,522,600(L)	21.91(L)	5.48
Shanghai Industrial Investment Treasury Company Limited ⁽²⁾	H Shares	Interest of controlled corporation	9,516,600(L)	11.90(L)	2.98
Shanghai Investment Holdings Limited ⁽²⁾	H Shares	Interest of controlled corporation	9,516,600(L)	11.90(L)	2.98
Shanghai Industrial Holdings Limited (“SIHL”) ⁽²⁾	H Shares	Interest of controlled corporation	9,516,600(L)	11.90(L)	2.98
S.I. Infrastructure (Holdings) Limited ⁽²⁾	H Shares	Interest of controlled corporation	9,516,600(L)	11.90(L)	2.98
Sure Advance Holdings Limited (“Sure Advance”) ⁽²⁾	H Shares	Beneficial owner	9,516,600(L)	11.90(L)	2.98
SIIC Shanghai Holdings Co., Ltd. (“SIIC Shanghai”) ⁽²⁾	H Shares	Interest of controlled corporation	8,006,000(L)	10.01(L)	2.50

Shareholder	Class of Shares	Nature of interest	Number of Shares held ⁽⁵⁾	Approximate percentage of shareholding in the relevant class of Shares %	Approximate percentage of shareholding in the total share capital of our Company %
Shanghai Pharmaceuticals Holding Co., Ltd. ("Shanghai Pharmaceuticals") ⁽²⁾	H Shares	Interest of controlled corporation	8,006,000(L)	10.01(L)	2.50
Shanghai Pharmaceuticals (HK) Investment Limited ("SPH HK") ⁽²⁾	H Shares	Beneficial owner	8,006,000(L)	10.01(L)	2.50
Li Hongbo ⁽³⁾	H Shares	Interest of controlled corporation	16,809,800(L)	21.02(L)	5.26
Lianwen Ltd ⁽³⁾	H Shares	Beneficial owner	14,309,800(L)	17.89(L)	4.47
Serenity Capital Management, Ltd. ⁽⁴⁾	H Shares	Investment manager	4,801,600(L)	6.00(L)	1.50
Serenity Investment Master Fund Limited ⁽⁴⁾	H Shares	Beneficial owner	4,801,600(L)	6.00(L)	1.50

Notes:

- (1) Each of CIAE and NPIC is a public institute controlled and managed by CNNC and holds 58,534,835 domestic Shares and 46,994,835 domestic Shares, representing approximately 24.40% and 19.59% of the domestic share capital of our Company, respectively. CNNC Fund is a non-wholly-owned subsidiary of CNNC and holds 18,779,342 domestic Shares, representing approximately 7.83% of the domestic share capital of our Company. Each of 404 Company and China Baoyuan is a wholly-owned subsidiary of CNNC and holds 3,755,868 domestic Shares and 108,085,353 Domestic Shares, respectively, representing approximately 1.57% and 45.05% of the domestic share capital of our Company, respectively. By virtue of the SFO, CNNC is deemed to be interested in the domestic Shares held by CIAE, NPIC, CNNC Fund, 404 Company and China Baoyuan, which in aggregate representing approximately 98.43% of the domestic share capital of our Company.
- (2) By virtue of the SFO, SIIC is deemed to be interested in the 9,516,600 H Shares held by Sure Advance, a controlled corporation of SIIC. SIIC holds 100% equity interest in Shanghai Industrial Investment Treasury Company Limited, while Shanghai Industrial Investment Treasury Company Limited directly holds 100% equity interest in Shanghai Investment Holdings Limited, which in turn holds approximately 55.13% equity interest in SIHL. SIHL directly holds 100% equity interest in S.I. Infrastructure (Holdings) Limited, which directly holds 100% equity interest in Sure Advance.
- By virtue of the SFO, SIIC is deemed to be interested in the 8,006,000 H Shares held by SPH HK, a controlled corporation of SIIC. SIIC holds 100% equity interest in SIIC Shanghai, while SIIC Shanghai directly holds approximately 35.56% equity interest in SPH, which directly holds 100% equity interest in SPH HK.
- (3) Lianwen Ltd and Lianwen Holding Pte. Ltd are 100% controlled by Li Hongbo. By virtue of the SFO, Li Hongbo is deemed to be interested in the 14,309,800 H shares held by Lianwen Ltd and 2,500,000 H shares held by Lianwen Holding Pte. Ltd.
- (4) Serenity Investment Master Fund Limited is 100% controlled by Serenity Capital Management, Ltd. By virtue of the SFO, Serenity Capital Management, Ltd. is deemed to be interested in the 4,801,600 H Shares held by Serenity Investment Master Fund Limited.
- (5) (L) represents long position, and (S) represents short position.

Save as disclosed and so far as was known to the Directors, as at the Latest Practicable Date, no other persons (other than the Directors, Supervisors and chief executive of the Company) had any interest or short position in the Shares or underlying Shares of the Company which was required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

Interests in assets or contracts or arrangements significant to the Group

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any asset which has been, since 31 December 2023 (being the date on which the latest published audited accounts of the Company were prepared), acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting at such date and being significant in relation to the business of the Group.

Service contracts

As at the Latest Practicable Date, there was no existing or proposed service contract (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)) between any of the Directors or Supervisors and any member of the Group.

Competing interests

As at the Latest Practicable Date, none of the Directors or any of their respective associates was interested in any business (apart from the Group's business) which competed or was likely to compete directly or indirectly with the Group's business.

Directors' positions in substantial Shareholders

As at the Latest Practicable Date, each of the following Directors is the director or employee of the following companies which have interests or short positions in the Shares or underlying shares of the Company, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (i) Mr. Chen Zan, a non-executive Director of the Company, is the chief accountant of CIAE;
- (ii) Mr. Ding Jianmin, a non-executive Director of the Company, is the chief accountant of NPIC; and
- (iii) Ms. Liu Xiuhong, a non-executive Director of the Company, is a specialised director of CNNC.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any proposed Directors of the Company served as directors or employees in companies which have interests or short positions in the Shares or underlying shares of the Company, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

4. EXPERT'S QUALIFICATIONS AND CONSENTS

The following are the qualifications of the Independent Financial Adviser who has given its advice for inclusion in this circular:

Name	Qualification
Rainbow Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context as set out in this circular.

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no direct or indirect interest in any asset which has been, since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

The letter and recommendation from Rainbow Capital is set out on pages 21 to 44 of this circular which are given for incorporation in this circular.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Company since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

6. DOCUMENTS ON DISPLAY

The following documents will be published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.circ.com.cn/>) for at least 14 days from the date of this circular:

- (i) the Renewed Engineering Construction Services Framework Agreement;
- (ii) the Renewed Purchase Agreement;
- (iii) the Renewed Supply Agreement;
- (iv) the letter from Rainbow Capital is set out on pages 21 to 44 of this circular; and
- (v) the written consent of Rainbow Capital referred to in the section headed “4. Expert’s Qualifications and Consents” above in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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



CHINA ISOTOPE & RADIATION CORPORATION

中國同輻股份有限公司

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

(Stock Code: 1763)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN by the board (the “**Board**”) of directors (the “**Directors**”) of China Isotope & Radiation Corporation (the “**Company**”) that the second extraordinary general meeting of 2024 of the Company (the “**EGM**”) will be held at 10:30 a.m. on Wednesday, 13 November 2024 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, China by way of physical meeting to consider and, if thought fit, approve the following resolutions of the Company (unless otherwise specified, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 24 October 2024 (the “**Circular**”)):

ORDINARY RESOLUTIONS

1. To consider and approve the revision of the annual caps under the Renewed Engineering Construction Services Framework Agreement.
2. To consider and approve the revision of the annual caps under the Renewed Purchase Agreement.
3. To consider and approve the revision of the annual caps under the Renewed Supply Agreement.
4. To consider and approve the appointment of ShineWing Certified Public Accountants (Special Partnership) as the Company’s domestic auditor for 2024 and its fee shall be 54% of the standard annual final accounts audit fee published by Beijing Municipal Finance Bureau.
5. To consider and approve the 2024 investment plan of the Company.

By order of the Board
China Isotope & Radiation Corporation
Han Yongjiang
Chairman

Beijing, the PRC, 24 October 2024

As at the date of this notice, the Board comprises Mr. Han Yongjiang, Mr. Zhang Junqi and Mr. Fan Guomin as executive Directors; Mr. Chen Zan, Mr. Ding Jianmin, Ms. Chang Jinyu and Ms. Liu Xiuhong as non-executive Directors; and Mr. Poon Chiu Kwok, Ms. Chen Jingshan, Mr. Lu Chuang and Mr. An Rui as independent non-executive Directors.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Friday, 8 November 2024 to Wednesday, 13 November 2024 (both dates inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 13 November 2024 will be entitled to attend and vote at the EGM. For the purpose of being qualified as Shareholders to attend and vote at the EGM, Shareholders of the Company must lodge all transfers documents with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Company's head office and principal place of business at No. 66 Changwa Middle Street, Haidian District, Beijing, China (for holders of Domestic Shares) for registration no later than 4:30 p.m. on Thursday, 7 November 2024.
2. Each Shareholder who is entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a Shareholder.
3. The instrument appointing a proxy must be in writing by the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
4. To be valid, the proxy form and notarised power of attorney or other authorisation document must be delivered to (in respect of holders of H Shares) the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or (in respect of holders of Domestic Shares) the Company's head office and principal place of business in the PRC at No. 66 Changwa Middle Street, Haidian District, Beijing, China, as soon as possible but in any event no later than 24 hours before the time stipulated for holding the EGM (i.e. before 10:30 a.m. on Tuesday, 12 November 2024) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or at any adjourned meeting if you so wish. If a shareholder appoints more than one proxy, such proxies shall only exercise the right to vote by poll.
5. Shareholders or their proxies should produce proof of identity when attending the EGM. If a Shareholder is a legal entity, its legal representative or other person authorised by the board of directors or other governing body of such shareholder may attend the EGM by producing a notarially certified copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the EGM.
6. If Shares are held by joint holders, any such person may vote in person or by proxy at the EGM or at any adjourned meeting thereof, in respect of such Shares as if he/she was solely entitled thereto; whereas when two or more joint holders attend the EGM in person or by proxy(ies), only the person whose name appears first in the register of members in respect of such Shares shall alone be entitled to vote in respect thereof.
7. The EGM is expected to last for no more than half a day. Shareholders (or their proxies) attending the EGM in person are responsible for their own transportation and accommodation expenses.
8. Contact information of the Company

Address: No. 66 Changwa Middle Street, Haidian District, Beijing, China
(For the attention of the Joint Company Secretary)
Tel: +86 10 68511807
Fax: +86 10 68512374
Email: ir@circ.com.cn
9. References to dates and times in this notice are to Hong Kong dates and times.