

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

XtalPi

晶泰科技

XtalPi Holdings Limited

晶泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2228)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF 90%
EQUITY INTEREST IN THE TARGET COMPANY**

THE ACQUISITION

On 10 May 2025, the Purchaser (a wholly-owned subsidiary of the Company), the Vendors, the Guarantors and the Target Company entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell the 90% equity interest in the Target Company at a consideration of RMB250 million, to be fully settled by cash.

Upon Completion, the Purchaser will be interested in 90% equity interest in the Target Company. Each member of the Target Group will become an indirect non-wholly owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, it constitutes a discloseable transaction of the Company and is accordingly subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 10 May 2025, the Purchaser (a wholly-owned subsidiary of the Company), the Vendors, the Guarantors and the Target Company entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell the 90% equity interest in the Target Company at a consideration of RMB250 million, to be fully settled by cash.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date: 10 May 2025

Parties:

- (i) The Purchaser;
- (ii) Vendor 1;
- (iii) Vendor 2;
- (iv) Vendor 3;
- (v) Guarantor 1;
- (vi) Guarantor 2;
- (vii) Guarantor 3;
- (viii) Guarantor 4; and
- (ix) The Target Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors, the Guarantors and their respective ultimate beneficial owners is an Independent Third Party under the Listing Rules as at the date of this announcement.

Subject matter: The Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell the 90% equity interest in the Target Company, comprising 59.11%, 16.89% and 14.00% equity interest held by Vendor 1, Vendor 2 and Vendor 3, respectively.

Consideration:

The total consideration is RMB250 million to be fully settled by cash, which was determined after arm's length negotiation between the parties taking into account (i) the historical financial performance of the Target Company and the performance guarantee provided by the Vendors and the Guarantors under the Agreement (details of which are set out in the paragraph headed **"Performance guarantee"** below) and (ii) the business performance and prospects of the Target Company as well as the synergistic integration between the Group's business and the Target Company's business, as further elaborated in the section headed **"REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT"** below.

Based on the unaudited financial statements of the Target Company as of 31 December 2024, the unaudited revenue and net profit of the Target Company were RMB39,608,563.83 and RMB5,248,294.81 respectively for the financial year ended 31 December 2024. Based on a total consideration of RMB250 million for 90% equity interest of the Target Company implying a value of the entire equity interest in the Target Company in the amount of RMB277,777,777.78, the price to sales ratio (P/S ratio) and the price-to-earnings ratio (P/E ratio) for the Target Company would be 7.0 times and 52.9 times respectively.

The Company has benchmarked these ratios against the ratios of five listed companies in the PRC with similar business as the Target Company, where the P/S ratio ranged from 5.4 to 7.2 times, and the P/E ratio ranged from 58.6 to 234.3 times. The five comparable companies are listed on the Shenzhen Stock Exchange and the Shanghai Stock Exchange and all are engaged in medical information and medical service business activities.

The P/S ratio of the Target Company based on its unaudited financial performance for the year ended 31 December 2024 falls within the range of the P/S ratios of the comparable companies, and the P/E ratio of the Target Company based on its unaudited financial performance for the year ended 31 December 2024 falls below the range of the P/E ratios of the comparable companies.

P/S ratio and P/E ratio are common methods for assessing revenue-generating companies with profitable businesses, especially when the subject companies do not rely on a significant amount of fixed assets and equipment during their operations.

In light of the above, the Board (including the independent non-executive Directors) considered that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Earnest money:

Within five business days after the signing of the Agreement, the Purchaser or the designee of the Purchaser will pay a sum of RMB10 million to Vendor 1 as earnest money. Pursuant to the Agreement, subject to Completion, the earnest money shall be applied towards the settlement of the relevant consideration payable by the Purchaser to Vendor 1.

Payment of the consideration:

The Purchaser shall pay the remaining consideration to the Vendors in full within one month after the date of Completion, among which:

- (i) the Purchaser shall pay RMB154,194,444.44 in cash to Vendor 1, after deducting the amount of the earnest money;
- (ii) the Purchaser shall pay RMB46,916,666.67 in cash to Vendor 2; and
- (iii) the Purchaser shall pay RMB38,888,888.89 in cash to Vendor 3.

Performance guarantee:

The Vendors and the Guarantors undertake to the Purchaser that the Target Company's revenue from its principal business generated from projects in Shanghai region for the financial year ending 31 December 2025 (the "**Performance Guarantee Year**") shall not be less than RMB27 million (the "**Guaranteed Revenue**").

Within 90 business days after the end of the Performance Guaranteed Year, the Purchaser and the Vendors shall jointly engage a third party qualified accounting firm to conduct an independent audit of the Target Company with respect to the actual realized revenue for the Performance Guarantee Year (the “**Actual Realized Revenue**”).

In the event that the Actual Realized Revenue is lower than the Guaranteed Revenue, the Purchaser shall have the right to request the Vendors and the Guarantors to compensate the Purchaser the shortfall between the Guaranteed Revenue and the Actual Realized Revenue by cash.

Conditions precedent to Completion:

Completion is conditional upon the fulfilment (or waiver, if applicable) of, among others, the following conditions:

- (a) the representations and warranties of the Vendors remaining true and accurate as of the date of Completion (except for representations and warranties made as of a specific date which are required to be true and correct as of such date), except to the extent that they do not reasonably result in a material adverse effect on Completion;
- (b) each of the covenants to be performed by the Vendors and the Guarantors on or prior to the date of Completion having been duly performed in all respects, except to the extent that such non-performance has not reasonably resulted in a material adverse effect on the Completion;
- (c) the due diligence results in respect of legal, business and financial and other aspects of the Target Company having been satisfactory to the Purchaser;

- (d) there being no judicial, regulatory or administrative action or applicable law which renders the Acquisition, the Agreement, any of the transaction documents or the transactions under any of the transaction documents illegal or unenforceable or which in any way restricts or prohibits any of the foregoing;
- (e) there having been no occurrence of material adverse events from the date of the Agreement to the date of Completion;
- (f) all necessary internal approvals having been obtained by the Target Company;
- (g) all necessary internal approvals having been obtained by the Purchaser;
- (h) the Target Company having completed the relevant registration or filing procedures with the authorized enterprise registration authorities in the PRC in respect of the Acquisition; and
- (i) a certificate dated the date of Completion signed by Vendors, the Guarantors and the Target Company having been obtained by the Purchaser to the effect that the conditions set forth in the Agreement have been satisfied.

Completion:

Completion will take place on the fifth business day after the date on which all the conditions set forth in the Agreement have been satisfied or waived by the Purchaser, or such other time or date as may be agreed by the parties in writing.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability.

The Target Group is a remote diagnostic service solutions provider, ECG, remote ultrasound imaging diagnosis, AI remote diagnostic innovation business, etc. The Target Group has accumulated a large amount of electrocardiogram (ECG) and ultrasound imaging diagnosis data.

Set out below is a summary of the financial information of the Target Company for the two years ended 31 December 2024:

| | For the year ended 31 December | |
|----------------------------|---------------------------------------|------------------|
| | 2024 | 2023 |
| | RMB | RMB |
| | (unaudited) | (audited) |
| Net profit before taxation | 5,248,294.81 | 13,588,470.57 |
| Net profit after taxation | 5,248,294.81 | 11,471,064.41 |

Based on the unaudited management accounts of the Target Company for the year ended 31 December 2024, the total assets value and the net assets value of the Target Company were approximately RMB61,129,929.47 and RMB43,595,732.90, respectively, as at 31 December 2024.

Upon Completion, the Purchaser will be interested in 90% equity interest in the Target Company. Each member of the Target Group will become an indirect non-wholly owned subsidiary of the Company. The financial results of the Target Group will be consolidated into the Group's financial statements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Company operates as an investment holding entity. The Group primarily focuses on providing drug discovery and material science R&D solutions and services through integrated "AI + robotics" technology.

Founded in 2008 as an invested enterprise of the School of Medicine of Shanghai Jiao Tong University (“SJTU”) through its wholly owned investment platform Shanghai Eryi Investment Management Co., Ltd, the Target Company is a high-tech enterprise developed from the R&D Center for Medical Information Remote Monitoring the School of Medicine of SJTU. The Target Company is a leading remote technology platform and remote diagnostic service solutions provider as well as the largest remote electrocardiogram (ECG) diagnostic service solutions provider enterprise in China. Backed by the School of Medicine of SJTU, the Target Company has so far provided platform construction and diagnostic services solutions including ECG, ultrasound, blood pressure and medical imaging platforms and diagnostic services solutions for over 1,700 medical institutions and their service sites in 16 provinces and cities in China through the open remote platform of cloud computing, and the annual diagnostic volume of ECG alone has exceeded 1.6 million visits.

According to the Report on Cardiovascular Health and Diseases in China 2023 cardiovascular diseases have become the leading cause of death among both urban and rural residents in China, contributing to over 45% of total deaths. This exceeds tumor-related mortality rates, with cardiovascular diseases accounting for two out of every five deaths nationwide. Electrocardiogram (ECG) monitoring serves as a critical tool for early prevention and diagnosis of cardiovascular diseases. However, in medical resource allocation, China faces the reality that the extensive network of basic healthcare institutions and a widespread shortage of specialized physicians proficient in electrocardiogram (ECG) diagnose.

Base on this, the Group will deeply integrate advantages from both internal and target company, empower the industry development through the following two aspects:

- 1) Drawing on core strengths in AI algorithms, computational puissance, and high-quality data fields, upon completion of the acquisition of the Target Company, the Company will systematically integrate the electrocardiographic diagnostic dataset accumulated through the target group’s operations (including ECG readings, ultrasound imaging, and cardiovascular parameters). Combined with the Company’s self-developed high-precision AI-assisted diagnostic system, this will enable the creation of an AI-powered remote electrocardiographic diagnostic platform. The platform is expected to significantly enhance doctors’ efficiency in analyzing diagnostic images and effectively address the issue of uneven distribution of electrocardiographic diagnostic resources in basic healthcare institutions.

- 2) Establishing a “Detection-Diagnosis-Treatment” full-cycle health management closed-loop, the Company will leverage analytical insights from electrocardiographic big data to accelerate the development of its innovative cardiovascular drug pipeline and functional health products. Through strengthening the technical barriers of its AI drug development platform, the Company aims to create a differentiated competitive edge by transforming clinical diagnostic data assets into tangible advantages for drug R&D.

The Board (including the independent non-executive Directors) is of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Company is an innovative research platform company powered by AI and robotics and is driving intelligent and digital transformation in the life sciences and material sciences sectors. The Group combines quantum physics, AI, cloud computing, and large-scale robotics to provide R&D solutions, services, and products for pharmaceuticals, biotechnology, renewable energy, and advanced materials industries globally. The Group, as a pioneer in AI and robotics for life science and new materials R&D, has collaborated with over 300 global enterprises and research institutions, leading the way with an extensive successful track record in AI for science commercialization.

The Purchaser

The Purchaser is a company established in the PRC and is principally engaged in provision of solidstate R&D, drug discovery solutions and other services. The Purchaser is a wholly-owned subsidiary of the Company.

Vendor 1

Vendor 1 is a limited partnership established in the PRC and is an investment holding entity. The general partner of Vendor 1 is Guarantor 1. As at the date of this announcement, Vendor 1 is owned as to 50% by Guarantor 1 and 50% by Guarantor 2.

Vendor 2

Vendor 2 is a limited partnership established in the PRC and is an investment holding entity. The general partner of Vendor 2 is Guarantor 3. As at the date of this announcement, Vendor 2 is owned as to 89.6% by Guarantor 3, 6.52% by Guarantor 4 and 3.88% by Guarantor 1.

Vendor 3

Vendor 3 is a limited partnership established in the PRC and is an investment holding entity. The general partner of Vendor 3 is Vendor 1. As at the date of this announcement, Vendor 3 is owned as to 77.77% by Vendor 1 and 22.23% by Vendor 2.

Guarantors

The Guarantor 1, Guarantor 2, Guarantor 3 and Guarantor 4 are the ultimate beneficial owners of the Vendors who have agreed to guarantee the performance of the obligations of the Vendors under the Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, it constitutes a discloseable transaction of the Company and is accordingly subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

| | |
|------------------|---|
| “Acquisition” | the acquisition of the 90% equity interest in the Target Company by the Purchaser |
| “Agreement” | the equity purchase agreement dated 10 May 2025 entered into between the Purchaser, the Vendors, the Guarantors and the Target Company in relation to the Acquisition |
| “Board” | the board of Directors |
| “China” or “PRC” | the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Company” | XtalPi Holdings Limited 晶泰控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 28 April 2017, the Shares of which are listed on the Stock Exchange (stock code: 2228) |
| “Completion” | completion of the Acquisition under the Agreement |

| | |
|--------------------------------|---|
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Guarantor 1” | Mr. Cai Zhongxi (蔡仲曦) |
| “Guarantor 2” | Mr. Sheng Haifeng (盛海峰) |
| “Guarantor 3” | Mr. Huang Yaojie (黃耀傑) |
| “Guarantor 4” | Mr. Wei Hongmin (魏紅民) |
| “Guarantors” | Guarantor 1, Guarantor 2, Guarantor 3 and Guarantor 4 |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | party(ies) who is/are independent of the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Purchaser” | Shenzhen XtalPi Technology Co., Ltd. (深圳晶泰科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shares” | ordinary shares of the Company |
| “Target Company” | Shanghai Siwei Medical Technology Co., Ltd.* (上海四維醫學科技有限公司), a company established in the PRC with limited liability |
| “Target Group” | the Target Company and its subsidiary |

| | |
|------------|---|
| “Vendor 1” | Ningbo Meishan Free Trade Port Hongmuwei Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區弘睦維投資管理合夥企業(有限合夥)), a limited partnership established in the PRC |
| “Vendor 2” | Ningbo Meishan Free Trade Port Hongmuhe Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區弘睦和投資管理合夥企業(有限合夥)), a limited partnership established in the PRC |
| “Vendor 3” | Shanghai Honghewei Medical Technology Partnership (Limited Partnership)* (上海弘和維醫學科技合夥企業(有限合夥)), a limited partnership established in the PRC |
| “Vendors” | Vendor 1, Vendor 2 and Vendor 3 |
| “%” | per cent |

By order of the Board
XtalPi Holdings Limited
Dr. Wen Shuhao
Chairman of the Board and Executive Director

Hong Kong, 11 May 2025

As at the date of this announcement, the Board comprises Dr. Wen Shuhao, Dr. Ma Jian, Dr. Lai Lipeng and Dr. Jiang Yide Alan as executive Directors, and Mr. Law Cheuk Kin Stephen, Ms. Chan Wing Ki and Mr. Chow Ming Sang as independent non-executive Directors.

* *For identification purposes only*