CONSULTING & APPRAISAL
亞太評估

Asia-Pacific Consulting and Appraisal Limited
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300 Lockhart Road,
Wan Chai, Hong Kong

3 October 2025

The Board of Directors
PuraPharm Corporation Limited
Units 201-207, 2/F
Wireless Centre, Phase One
Hong Kong Science Park
Tai Po, New Territories, Hong Kong

Dear Sirs,

In accordance with the instructions received from PuraPharm Corporation Limited (the "Company"), we have undertaken a valuation exercise which requires Asia-Pacific Consulting and Appraisal Limited ("APA") to express an independent opinion on the market value of the patents (as set out in Appendix I) as well as the data, documents and know-how in respect of or in connection with the patents and BN101E Project (means the project as set out in Appendix II) (the "Licensed IP") in BAGI Research Limited ("BAGI") as at 31 May 2025 (the "**Valuation Date**").

The purpose of this valuation is for circular reference of the Company.

Our valuation was carried out on a market value basis which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion."

INTRODUCTION

BAGI is a clinical stage bioscience company that develops drugs derived from active compounds found in medical fungi and plants. BAGI started research in collaboration with the University of Hong Kong (HKU) in 2007 and discovered BN101E as potential anti-inflammatory drug in 2009. Patent application on the compounds and uses thereof for treating inflammation and modulating immune response was submitted in 2009 and has been granted in 2013. BAGI obtained a clinical trial certificate in Canada for BN101E in 2020. BAGI completed seed round of financing in 2022 in order to support further development of BN101E. Pre-IND application was submitted in the US in late 2022, but FDA requested additional toxicology data of *Cimicifuga sp.*, which is the source of the active components of the drug.

The Company and BAGI have entered into a Patent Licence Agreement, pursuant to which BAGI will grant an exclusive non-transferable licence of the Licensed IP to the Company.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject asset.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the characteristics of the Licensed IP, there are substantial limitations for the income approach and the market approach for valuing the underlying asset. Firstly, the market approach requires market transactions of comparable assets as an indication of value. However, there is no active and open trading market for the Licensed IP, in particular, drug development is highly sophisticated and involves multi-dimensional factors to evaluate their similarities, such as stage of development, molecular structure, physiochemical property, pharmacological mechanism of action, clinical attributes and so on, it is difficult to find the comparable transactions for similar assets at its early stage. Secondly, the income approach requires subjective assumptions to which the valuation is highly sensitive. Since the drug to be developed through the Licensed IP is still in early stage of development, the probability of success, the timeframe for commercialization and income generation are highly uncertain, and it is very difficult to make reliable financial projections in this exercise.

In view of the above, we have adopted the cost approach for the valuation. Cost approach rests on replacement cost of a similar asset or an asset providing similar service potential or utility. The replacement costs include collaboration cost, outsourcing cost, labour cost, rental cost, overheads and required return on the included costs.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. The valuation procedures employed include a review of the development progress and historical cost incurred in producing the Licensed IP, and an assessment of key assumptions, estimates, and representations made by the proprietor. All matters essential to the proper understanding of the valuation are disclosed in this report.

The following factors form an integral part of our basis of opinion:

- The nature of the Licensed IP;
- The cost pertinent to the development of the Licensed IP; and
- Other development, operational and market information in relation to the Licensed IP.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the Licensed IP.

GENERAL ASSUMPTIONS

In determining the market value of the Licensed IP, we make the following general assumptions:

- It is assumed that there will be no material changes in the international financial environment, global economic environment and national macroeconomic conditions, and that there will be no material change in the political, economic and social environment in which the appraised entity operates;

- It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honoured;

- The financial and operational information provided by the Company and BAGI is accurate and it is relied to a considerable extent on such information in arriving at the opinion of value; and

- There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

MAJOR ASSUMPTIONS AND PARAMETERS

Replacement Cost

The replacement costs include collaboration cost, outsourcing cost, labour cost, rental cost, overheads and required return on the included costs. Major assumptions and parameters related to market value of the Licensed IP are listed below:

Type of Cost	Notes
Collaboration Cost	Based on the information provided by BAGI and with reference to the signed agreements
Outsourcing Cost	Based on information provided by BAGI and with reference to the signed contracts
Labour Cost	Based on information provided by BAGI and with reference to the payslips
Rental Cost	Based on information provided by BAGI and with reference to the rental agreements
Other Overheads	Based on information provided by BAGI and with reference to sampled invoices

Required Rate of Return

The required rate of return refers to historical operating profit to total cost ratio of the comparable companies. In determining the required return rate, comparable companies are selected under the following criteria:

1. the comparable companies are publicly listed;

2. the comparable companies operate in the life sciences tools and services industry;

3. the comparable companies recorded positive operating profit in 2024;

4. the comparable companies primarily operate as contract research organizations ("CROs") with relevant segments accounting for more than 50% of their total revenues in 2024.

Companies selected under these criteria mainly offer R&D services business that are similar to the R&D works relating to the Licensed IP. The publicly available data and common profit margins in the industry of the comparable companies provide a reasonable basis to derive the required rate of return for the Licensed IP.

As sourced from Capital IQ, a reliable third-party database service provider designed by Standard & Poor's (S&P), firstly, a list of comparable companies was screened based on the first two criteria; secondly, companies recorded positive operating margin in 2024 were selected; thirdly, we went through companies' annual reports and official websites to find out if the company satisfies the last criterion; finally, according to the research and study carried out above, an exhaustive list of comparable companies satisfying all the above criteria was obtained on a best-effort basis and the details of these comparable companies are shown below:

Company Name (Stock Code)	**Company Description**	**Market Capitalization** ***(USD mm) as of 31 December 2024***	**Percentage of revenue contributed by CRO business**
Charles River Laboratories International, Inc. (NYSE: CRL)	Charles River Laboratories International, Inc. provides drug discovery, non-clinical development, and safety testing services in the United States, Europe, Canada, the Asia Pacific, and internationally. It operates through three segments: Research Models and Services (RMS), Discovery and Safety Assessment (DSA), and Manufacturing Solutions (Manufacturing). The RMS segment produces and sells rodents, and purpose-bred rats and mice for use by researchers. The DSA segment offers early and in vivo discovery services for the identification and validation of novel targets, chemical compounds, and antibodies through delivery of preclinical drug and therapeutic candidates ready for safety assessment; and safety assessment services, such as toxicology, pathology, safety pharmacology, bioanalysis, drug metabolism, and pharmacokinetics services. The Manufacturing segment provides in vitro methods for conventional and rapid quality control testing of sterile and non-sterile pharmaceuticals and consumer products. This segment offers specialized testing of biologics that are outsourced by pharmaceutical and biotechnology companies. The company was founded in 1947 and is headquartered in Wilmington, Massachusetts.	9,440	81%
Eurofins-Cerep SA (ENXTPA: ALECR)	Eurofins-Cerep SA provides various drug discovery services to pharmaceutical, biopharmaceutical, and biotechnology companies France and internationally. The company's research services include compound management, and high-throughput screening and profiling. Eurofins-Cerep SA was founded in 1989 and is based in Celle-Lévescault, France.	102	100%

Company Name (Stock Code)	Company Description	Market Capitalization *(USD mm) as of 31 December 2024*	Percentage of revenue contributed by CRO business
Frontage Holdings Corporation (SEHK: 1521)	Frontage Holdings Corporation, a contract research organization, provides laboratory and related services to pharmaceutical, biotechnology, and agrochemical companies. It offers drug discovery services comprising medicinal chemistry, pharmacology, and efficacy, as well as absorption, distribution, metabolism, and excretion (ADME) screening. The company also provides drug metabolism and pharmacokinetics (DMPK); safety and toxicology; early phase clinical services; and bioequivalence and related services, such as pharmacology, medical writing, and regulatory support. In addition, it offers pharmaceutical product development services, including intermediate and active pharmaceutical ingredient (API) synthesis, process and formulation development, and clinical trial material manufacturing. Further, the company provides laboratory testing services, such as bioanalysis, biomarkers, genomics, CMC Analytical testing, and central laboratory services. It operates in the United States, Canada, the People's Republic of China, Europe, India, Japan, South Korea, and Australia. The company was incorporated in 2018 and is headquartered in Exton, Pennsylvania. Frontage Holdings Corporation operates as a subsidiary of Hongkong Tigermed Co., Limited.	464	100%
hVIVO plc (AIM: HVO)	hVIVO plc operates as a pharmaceutical service and contract research company in the United Kingdom, Europe, and North America. The company is involved in the testing of vaccines and antivirals using human challenge clinical trials; and provision of laboratory services, including assay development, cell based assays, molecular, immunology, virology, clinical field trail logistics, and biomarker analysis services. It has a portfolio of human challenge study models for conditions, such as RSV, influenza, COVID-19, hMPV, HRV, asthma, malaria, and COPD. In addition, the company offers specialized virology and immunology laboratory, which offers a suite of services to support pre-clinical and clinical respiratory drug; and vaccine discovery and development. Further, it provides pre-clinical and early clinical research services; sales and marketing services; data management; and statistics services, as well as drug development consultancy and services. The company offers services to big pharma and biotech organizations. The company was formerly known as Open Orphan Plc and changed its name to hVIVO plc in October 2022. hVIVO plc is headquartered in London, the United Kingdom.	175	100%
ICON Public Limited Company (NasdaqGS: ICLR)	ICON Public Limited Company, a clinical research organization, provides outsourced development and commercialization services in Ireland, rest of Europe, the United States, and internationally. The company specializes in the strategic development, management, and analysis of programs that support various stages of the clinical development process from compound selection to Phase I-IV clinical studies. It also provides clinical development services, including all phases of development, peri and post approval, data solutions, and site and patient access services; clinical trial management, consulting, and contract staffing services; and commercial services comprising clinical development strategy, planning and trial design, full study execution, and post-market commercialization. In addition, the company offers laboratory services, including bioanalytical, biomarker, vaccine, good manufacturing practice, and central laboratory services, as well as full-service and functional service partnerships to customers. Further, the company provides adaptive trials, cardiac safety solutions, clinical and scientific operations, consulting and	17,314	100%

Company Name (Stock Code)	Company Description	Market Capitalization *(USD mm) as of 31 December 2024*	Percentage of revenue contributed by CRO business
	advisory, commercial positioning, decentralized and hybrid clinical trials, early clinical, laboratories, language services, medical imaging, real world intelligence, site and patient, and strategic solutions. It serves pharmaceutical, biotechnology, and medical device industries, as well as government and public health organizations. ICON Public Limited Company was incorporated in 1989 and is headquartered in Dublin, Ireland.		
IQVIA Holdings Inc. (NYSE: IQV)	IQVIA Holdings Inc. provides clinical research services, commercial insights, and healthcare intelligence to the life sciences and healthcare industries in the Americas, Europe, Africa, and the Asia-Pacific. It operates through three segments: Technology & Analytics Solutions, Research & Development Solutions, and Contract Sales & Medical Solutions. The Technology & Analytics Solutions segment offers a range of cloud-based applications and related implementation services; real world solutions that enable life sciences and provider customers to generate and disseminate evidence, which informs health care decision making and improves patients' outcomes; and strategic and implementation consulting services, such as advanced analytics and commercial processes outsourcing services. The Research & Development Solutions segment offers project management and clinical monitoring; clinical trial support; strategic planning and design services; and patient and site centric solutions, as well as central laboratory, genomic, bioanalytical, ADME, discovery, and vaccine and biomarker laboratory services. The Contract Sales & Medical Solutions segment provides health care provider and patient engagement services, and scientific strategy and medical affairs services. It serves pharmaceutical, biotechnology, device and diagnostic, and consumer health companies. The company is based in Durham, North Carolina.	35,667	55%
Jeevan Scientific Technology Limited (BSE: 538837)	Jeevan Scientific Technology Limited engages in the clinical research and data management businesses in India. The company's services include BA/BE studies that comprise bioanalytical and clinical services, pharmacokinetic and bio-statistics, and glucose clamping; clinical trial services, such as medical writing, clinical trial management and monitoring, drug safety, clinical data management, biostatistics and statistical programming, and quality assurance; and pharmacovigilance services, including ICSR management, aggregate safety reports, risk management plan, signal detection, medical information call center, and other integrated services. It also exports its products. The company was formerly known as Jeevan Softech Limited and changed its name to Jeevan Scientific Technology Limited in March 2011. The company was incorporated in 1999 and is based in Hyderabad, India.	9	100%
Medpace Holdings, Inc. (NasdaqGS: MEDP)	Medpace Holdings, Inc. provides clinical research-based drug and medical device development services in North America, Europe, and Asia. The company offers a suite of services supporting the clinical development process from Phase I to Phase IV in various therapeutic areas. It provides clinical development services to the pharmaceutical, biotechnology, and medical device industries; and development plan design, coordinated central laboratory, project management, regulatory affairs, clinical monitoring, data management and analysis, pharmacovigilance new drug application submissions, and post-marketing clinical support services. In addition, the company offers bio-analytical laboratory services, clinical human pharmacology, imaging services, and electrocardiography reading	10,303	100%

Company Name (Stock Code)	Company Description	Market Capitalization *(USD mm) as of 31 December 2024*	Percentage of revenue contributed by CRO business
	support for clinical trials. Medpace Holdings, Inc. was founded in 1992 and is based in Cincinnati, Ohio.		
Pharmaron Beijing Co., Ltd. (SZSE: 300759)	Pharmaron Beijing Co., Ltd., together with its subsidiaries, provides drug research and development, and production services to the life sciences industry in North America, Europe, Japan, Mainland China, and internationally. The company offers laboratory chemistry services, including medicinal and synthetic chemistry, chemistry for new modalities, radiolabelling and radiosynthesis, analytical and purification chemistry, DNA-encoded libraries, cheminformatics, and computer-aided drug design; bioscience services, such as structural biology, in vitro biology, DMPK, in vivo pharmacology, and compound management services; chemistry, manufacturing, and controls services. It also provides clinical development services, including integrated radio labelled science, clinical development, and clinical trial recruitment services; safety assessment, integrated drug discovery, and bioanalysis services; and biologics and cell and gene therapy services, comprising biologics laboratory, biologics CDMO, cell and gene therapy laboratory, and gene therapy CDMO services. Pharmaron Beijing Co., Ltd. was incorporated in 2004 and is headquartered in Beijing, the People's Republic of China.	5,733	72%
R&G PharmaStudies Co., Ltd. (SZSE: 301333)	R&G PharmaStudies Co., Ltd. provides clinical research outsourcing services for device companies and scientific research institutions in China and internationally. The company offers clinical trial operation services, clinical trial site management services, and biological sample testing services. It is a for analyzing and detecting the biological samples collected during a clinical trial, and to determine the concentration of the original drug and/or metabolites. It also offers data management and statistical analysis services, clinical trial consulting services, and clinical pharmacology services. R&G PharmaStudies Co., Ltd. was founded in 2008 and is headquartered in Beijing, China.	652	100%
Shanghai Innostar Biotechnology Co., Ltd. (SHSE: 688710)	Shanghai Innostar Biotechnology Co., Ltd. provides services for drug research and development in China and internationally. The company's services mainly cover three major areas: early biopharmaceutical drugability evaluation, non-clinical research, and clinical testing and translational research. The screening and discovery services include early efficacy screening, early pharmacoscreening, early-stage toxicity prediction and screening, isotope labeling, and imaging. Non-clinical assessment encompasses pharmacodynamics, pharmacokinetics, safety evaluation, and consulting services for global applications for clinical trials and new drug registration. Clinical development services include the Clinical Bioanalysis Platform and the Biomarkers and Translational Research Platform. The company works with various drug categories, including chemical products such as peptide drugs, PROTAC/molecular glue, and molecular glues. In the biologics category, it includes ADCs, antibody drugs, therapeutic vaccines, and prophylactic vaccines. For cell and gene therapeutics, the company offers cell therapy products, gene therapy products, nucleic acid drugs, and oncolytic virus drugs. Radiopharmaceuticals include radiopharmaceutical drug development services, and the company also works with traditional Chinese medicines, focusing on traditional Chinese medicine innovations. It was founded in 2010 and is headquartered in Shanghai, China.	686	100%

Company Name (Stock Code)	Company Description	Market Capitalization *(USD mm) as of 31 December 2024*	Percentage of revenue contributed by CRO business
Vimta Labs Limited (BSE: 524394)	Vimta Labs Limited provides contract research and testing services in India and internationally. The company offers drug discovery, development, and drug life cycle management support services in the areas of preclinical research, clinical research, and analytical services for biopharmaceutical companies; preclinical research and testing services for medical device companies; and contract research and testing for agrochemical and specialty chemical companies. It also provides food testing and analytical development services to support manufacturers, processors, farmers, retailers, traders, exporters, and regulators; and a testing laboratory for water, alcoholic, and non-alcoholic beverages. In addition, the company offers environmental regulatory services, such as impact assessments and post project monitoring, to various industries, including power, infrastructure, cement, oil and gas, and mining, etc.; and EMI/EMC testing for electronic and electrical products/components. It provides solutions to agriculture, biologics and biosimilars, home and personal care, medical device, specialty chemicals, food, electrical and electronics, nutraceuticals, water and beverages, pharmaceuticals, crop care, environment, health and safety, and packaging industries. Vimta Labs Limited was founded in 1984 and is headquartered in Hyderabad, India.	258	100%
Vivo Bio Tech Limited (BSE: 511509)	Vivo Bio Tech Limited provides drug development and discovery services to pharmaceutical and biotech companies worldwide. The company offers services in the areas of in vivo and in vitro toxicity studies, pharmacological investigations, pharmacokinetic and toxic kinetic studies, genotoxicity screening, and analytical services. It also supplies SPF lab animals; breeds and distributes rodent models; and offers custom rodent models, and stem cell products, as well as lab animal diets. In addition, the company provides regulatory and non-regulatory IND preclinical services; screening and evaluating molecules for various pharmacological properties; and designs and develops of syngeneic / xenograft models for evaluation of anti-cancer agents. The company was formerly known as Sunshine Factors & Exports Limited and changed its name to Vivo Bio Tech Limited in September 2002. Vivo Bio Tech Limited was incorporated in 1987 and is based in Hyderabad, India.	7	100%
Shin Nippon Biomedical Laboratories, Ltd. (TSE: 2395)	Shin Nippon Biomedical Laboratories, Ltd., a contract research organization, engages in the transactional research and medipolis businesses in Japan and internationally. It offers non-clinical studies, including single/repeated dose toxicity studies, antigenicity studies, skin sensitization studies, genotoxicity studies, carcinogenicity studies, local irritation studies, inhalation toxicity studies, TK studies, characteristic studies, stability studies, dependence studies, reproductive and developmental toxicity studies, safety pharmacological studies, and pharmacokinetic studies. The company also engages in the investigator brochure preparation support, clinical trial protocol creation support, clinical trial medical institution, investigational drug allocation, clinical trial request/contract, monitoring, quality management, data management, statistical analysis work, comprehensive report creation support, electronic application support, regulatory affairs consulting, and creating informed consent documents support services. In addition, it provides site management organization services for clinical trials; clinical contract research organization services; and translational research services, including research and development of vaccines and therapeutic	442	98%

Company Name (Stock Code)	Company Description	Market Capitalization *(USD mm) as of 31 December 2024*	Percentage of revenue contributed by CRO business
	drugs, antibody drugs, nucleic acid drugs, peptide drugs, gene therapy, and regenerative medicines. Further, the company is involved in the operates geothermal power generation; operates hotel accommodation facilities; and wellbeing businesses, as well as provides cleaning, clerical work, and welfare services. Shin Nippon Biomedical Laboratories, Ltd. was founded in 1957 and is headquartered in Kagoshima, Japan.		
Anhui Wanbang Pharmaceutical Technology Co., Ltd. (SZSE: 301520)	Anhui Wanbang Pharmaceutical Technology Co., Ltd. provides drug research and development and clinical trial services for drug manufacturers and marketing authorization holders in China. The company was founded in 2006 and is based in Hefei, China.	352	90%
Beijing Sun-Novo Pharmaceutical Research Co., Ltd. (SHSE: 688621)	Beijing Sun-Novo Pharmaceutical Research Co., Ltd., a contract research company, engages in the research and development of drugs in China. The company operates external preparation platform that focuses on the research and development of new drugs and generic drugs for skin external preparations; children's clinical data bridging research center; pediatric drug research and development platform; pediatric drug delivery dosage research and development platform; respiratory tract drug delivery and topical preparation platforms; polypeptide and other drug molecular design and development platform; genotoxic impurity detection platform; technology platform for slow and controlled release preparations; drug synthesis platform; and synthesis technology platform. It also offers SMO, clinical quality management, data management and statistical analysis, project management, test center, clinical research center, clinical trials, TMFDocument management, quality control, Medical Writing, medical monitoring, and pharmacovigilance services; and registration-related services for chemical drugs, biological products, and medical device products. In addition, the company operates quantitative pharmacology platform that use technology on pharmacokinetics, pharmacodynamics, body function, disease mechanism and test process, and other information for quantitative research; and mass spectrometry, immunological analysis, cell biology, and molecular biology platforms that provide biological analysis services for large and small molecular drugs, as well as operates as a Contract Research Organization for Professional Peptide Drug Research and Development. Beijing Sun-Novo Pharmaceutical Research Co., Ltd. was founded in 2009 and is based in Beijing, China.	578	99%
Boji Medical Technology Co., Ltd. (SZSE: 300404)	Boji Medical Technology Co., Ltd. provides professional contract research services for research and development, and production of drugs and medical devices to pharmaceutical enterprises in China and internationally. It offers pre-clinical research, clinical research, and other consulting services. The company also provides clinical drug production, product test, pilot test scale-up, process verification batch production, and drug registration and approval services. In addition, it engages in the screening, evaluation, verification, and trading of phased technological achievements formed in the process of new drug research and development. The company was formerly known as Guangzhou Boji Medical & Biotechnological Co., Ltd. and changed its name to Boji Medical Technology Co., Ltd. in September 2021. Boji Medical Technology Co., Ltd. was founded in 1998 and is headquartered in Guangzhou, China.	454	92%
Hangzhou Tigermed Consulting Co., Ltd. (SZSE: 300347)	Hangzhou Tigermed Consulting Co., Ltd., together with its subsidiaries, provides contract research organization services in the People's Republic of China	6,012	98%

Company Name (Stock Code)	Company Description	Market Capitalization *(USD mm) as of 31 December 2024*	Percentage of revenue contributed by CRO business
	and internationally. It operates through Clinical Trial Solutions; and Clinical-related and Laboratory Services segments. The company offers preclinical development services, including medicinal chemistry, compound screening, DMPK, safety and toxicology, bioanalytical, and formulation research and development services; and clinical development services, such as medical writing, clinical monitoring, regulatory affairs, data management and statistical analysis, decentralized clinical trials, clinical development strategy, site management, medical device/in vitro diagnostics, multi-region clinical trial, and vaccine clinical trial services. It also provides medical imaging, pharmacovigilance, medical translation, quality assurance, GMP and medical device consulting, central laboratories, functional services, recruitment management, EDC cloud-based system, and remote follow-up center services; and post-marketing clinical research solutions, such as site identification and selection, central monitoring, project team management, vendor management, and SAS project management services. In addition, the company offers patient recruitment, investment management, medical registration, pharmaceuticals and regulations consulting, drug safety, bioequivalence, and third-party training services, as well as chemistry, management, and controls services. Hangzhou Tigermed Consulting Co., Ltd was incorporated in 2004 and is headquartered in Hangzhou, the People's Republic of China.		
Joinn Laboratories (China) Co.,Ltd. (SHSE: 603127)	Joinn Laboratories (China) Co., Ltd. provides preclinical and non-clinical services in the United States, the People's Republic of China, and internationally. It operates through three segments: Non-Clinical Studies Services; Clinical Trial and Related Services; and Sales of Research Models. The Non-Clinical Studies Services segment offers drug safety assessment, DMPK studies, and pharmacology and efficacy studies. The Clinical Trial and Related Services segment provides clinical CRO services, co-managed phase I clinical research units, and bioanalytical services. The Sales of Research Models segment provides design, production, breeding and sales of research models, non-human primates, and rodents. The company also offers cell-based assay (CBA) services. Joinn Laboratories(China) Co., Ltd. was founded in 1995 and is headquartered in Beijing, China.	1,558	100%
WuXi Biologics (Cayman) Inc. (SEHK: 2269)	WuXi Biologics (Cayman) Inc., an investment holding company, provides end-to-end solutions and services for biologics discovery, development, and manufacturing for biologics industry in the People's Republic of China, North America, Europe, Singapore, Japan, South Korea, and Australia. It operates through two segments: Biologics and XDC. The company provides a suite of solutions for biologic discovery, from concept to IND, that seamlessly transits to CMC and downstream process development through its contract research, development, and manufacturing organization platforms. It engages in the provision of consultation services in relation to the biopharmaceutical technology, international sales contracting services, testing and development of testing technologies, sales and marketing services, production and sales of medicals, and biologics clinical and manufacturing services; production and sale of medicals; vaccine contract development and manufacturing organization (CDMO) and related business; and engages in investment and material supplier activities. The company was incorporated in 2014 and is headquartered in Wuxi, China.	9,282	58%

Source: Capital IQ, annual reports and official websites of the comparable companies.

Further details of the 2024 operating margin of these comparable companies are shown as follows:

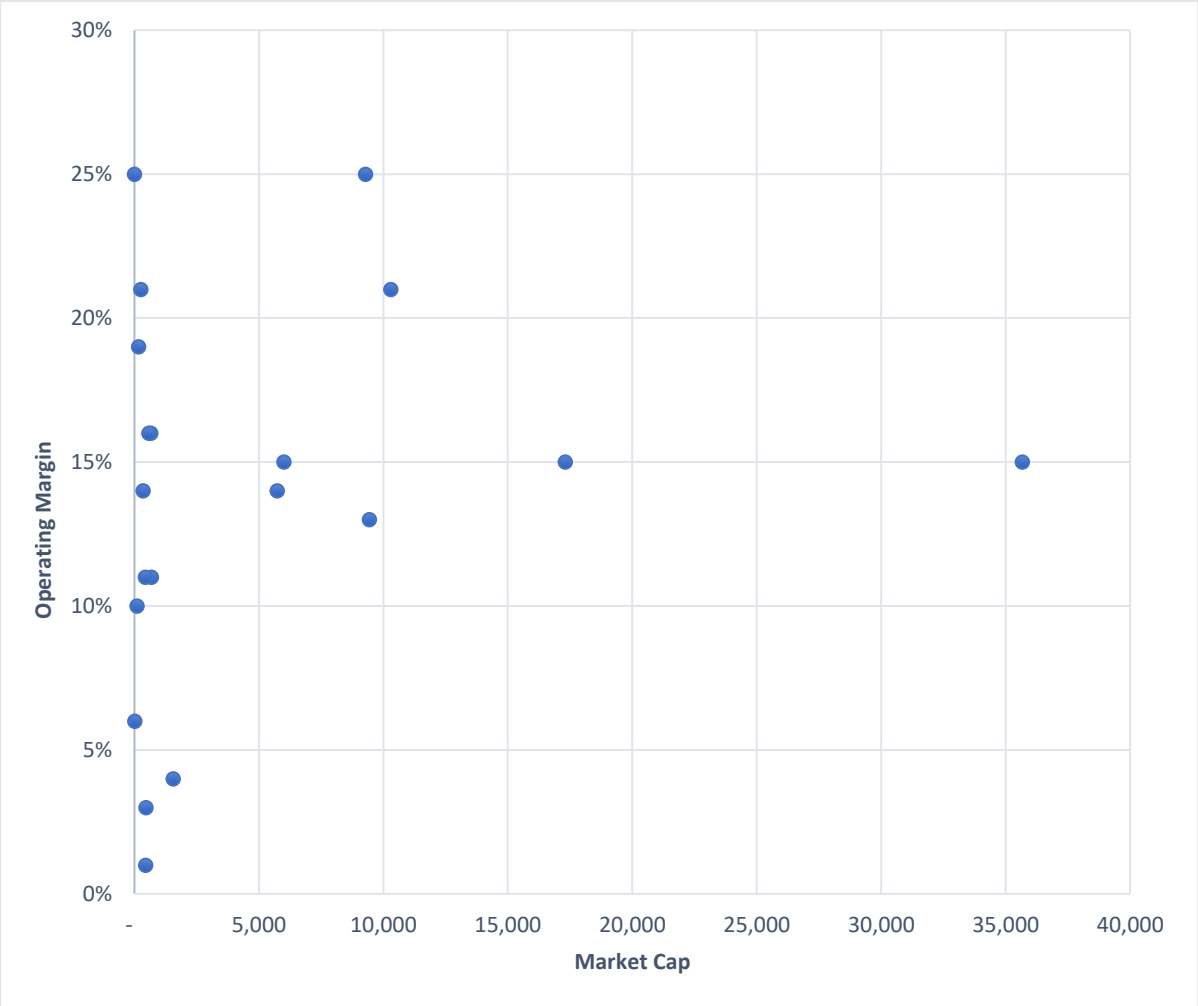
Company Code	Company Name	Operating Margin for FY2024
NYSE:CRL	Charles River Laboratories International, Inc.	13%
ENXTPA:ALECR	Eurofins-Cerep SA	10%
SEHK:1521	Frontage Holdings Corporation	3%
AIM:HVO	hVIVO plc	19%
NasdaqGS:ICLR	ICON Public Limited Company	15%
NYSE:IQV	IQVIA Holdings Inc.	15%
BSE:538837	Jeevan Scientific Technology Limited	6%
NasdaqGS:MEDP	Medpace Holdings, Inc.	21%
SZSE:300759	Pharmaron Beijing Co., Ltd.	14%
SZSE:301333	R&G PharmaStudies Co., Ltd.	16%
SHSE:688710	Shanghai Innostar Biotechnology Co., Ltd.	11%
BSE:524394	Vimta Labs Limited	21%
BSE:511509	Vivo Bio Tech Limited	25%
TSE:2395	Shin Nippon Biomedical Laboratories, Ltd.	11%
SZSE:301520	Anhui Wanbang Pharmaceutical Technology Co.,Ltd.	14%
SHSE:688621	Beijing Sun-Novo Pharmaceutical Research Co., Ltd.	16%
SZSE:300404	Boji Medical Technology Co., Ltd.	1%
SZSE:300347	Hangzhou Tigermed Consulting Co., Ltd.	15%
SHSE:603127	Joinn Laboratories (China) Co., Ltd.	4%
SEHK:2269	WuXi Biologics (Cayman) Inc.	25%
Minimum		1%
Maximum		25%
Average		14%
Median (adopted)		**14%**
Applied Required Return 16%		

Source: Capital IQ

Notes:

1. The required rate of return is the operating profit to total cost ratio, which is calculated based on the operating margin ("OP%") as 1/(1-OP%)-1.

2. As per table above, the operating margins of the comparable companies range from 1% to 25%. The following diagram is an analysis of the distribution of the operating margins and also the correlation between each comparable company's operating margin and its market capitalization as of 31 December 2024.



Visualization of the data shows:

(i) no operating margin point deviates significant from the rest of the dataset;
(ii) the correlation between market capitalization and operating margin is low.

Therefore, in this exercise, no comparable company is identified as an outlier and excluded from the above comparable companies list.

CALCULATION OF VALUATION RESULT

Under the replacement cost method, the market value depends on the costs to redevelop the Licensed IP, and we have taken into account the required rate of return. The calculation of the market value of the Licensed IP in BAGI Research Ltd as at the Valuation Date is as follows:

Type of Cost	**Amount** *in HKD'000*	
Collaboration Cost	13,150	
Outsourcing Cost	4,410	
Labour Cost	12,710	
Rental Cost	2,020	
Other Overheads	2,380	
Subtotal	**34,670**	
Required Return Rate	*16%*	
Required Return	5,547	
Fair Value of the Licensed IP	**40,200**	*(rounded)*

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the BAGI, the Company and Asia-Pacific Consulting and Appraisal Limited.

We do not intend to express any opinion on matters that require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the assets over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of the Licensed IP as at the Valuation Date is reasonably stated approximately at the amount of **HKD 40,200,000 (HONGKONG DOLLAR FORTY MILLION TWO HUNDRED THOUSAND).**

Yours faithfully,
for and on behalf of
Asia-Pacific Consulting and Appraisal Limited

Jack W. J. Li
CFA, MRICS, MBA
Partner

Note: Jack W. J. Li is a Chartered Surveyor who has over 15 years' experience in the valuation of assets in the PRC, Hong Kong and the Asia-Pacific region.

David G.D Cheng
MRICS
Partner

Note: David G.D. Cheng is a Chartered Surveyor who has over 20 years' experience in the valuation of assets in the PRC, Hong Kong and the Asia-Pacific region.

APPENDIX I – PATENTS

HKU's Ref. No.		Country/ Jurisdiction	Application No.	Patent No./ Publication No.	Title
IP00384		U.S.	12/647,843	US 8,377,987	Compounds and uses thereof for treating inflammation and modulating immune responses
		Australia	2009336592	AU 2009336592	
		Canada	2,749,575	CA 2749575	
		China	200980158058.6	CN 102348668	
		Japan	2011544934	JP 5778583	
		U.S.	13/769,644	US 9,174,916	
IP00385		U.S.	13/379,008	US 8,633,332	Efficient isolation of cimiracemate A, and methods of use
		European Patent Office	10791704.9	EP 2445859	Method for isolating cimiracemate A
		Australia	2010264200	AU 2010264200	
		Canada	2766002	CA 2766002	
		China	201080037200.4	CN 102625791	
		Hong Kong	12110182.3	HK 1169380	
		Japan	2012515578	JP 5773997	

APPENDIX II – BN101E PROJECT

(A) Background and development progress

i. Discovery of BN101E as potential anti-inflammatory drug (published in J Med Chem) in Q4 2009

ii. Obtained 2 patents (one covering 6 countries and the other covering 6 countries and the European Union (EU) including FR,DE,IT,ES,GB,CH,and DK)

iii. Patent 1 is about the application of *Cimicifuga sp.* and the active compound (cimiracemate A) in the treatment of rheumatoid arthritis, while the other focuses on the identification of the most effective extraction method for producing *Cimicifuga sp.* products that contain the maximum concentration of cimiracemate A

iv. Agreement with the University of Toronto to run Clinical Trials for BN101E in Q2 2018

v. Obtained Clinical Trial Certificate in Canada for BN101E in Q2 2020

vi. Submitted Pre-IND application to US FDA for BN101E in Q4 2022

(B) How the drug/mechanisms work and what is unique about this product

i. The product contains three anti-inflammatory compounds (cimiracemate A, isoferulic acid and cimifugin) that can inhibit cytokines e.g. TNF-alpha and IL-6 productions

ii. This is different from existing drugs that may only target one of the cytokines. Furthermore, this drug is derived from *Cimicifuga sp.* and possesses an outstanding safety profile

iii. Primary function reduces inflammation

(C) Possible usage in medicine

i. Reduce inflammation

ii. Reduce disease score of rheumatoid arthritis

iii. To reduce the TNF-alpha, which is a major cytokine in rheumatoid arthritis

(D) Official registrations applied and/or completed

i. The two patents were granted.

ii. The product has been registered in Canada (NPN 80087899).