



SBI China Capital
軟庫中華

17 April 2026

*To: The Independent Board Committee and the Independent Shareholders of
Guanze Medical Information Industry (Holding) Co., Ltd.*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY ARISTO SECURITIES LIMITED
FOR AND ON BEHALF OF FUNDE (HONG KONG) INVESTMENT HOLDINGS CO.,
LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF GUANZE MEDICAL
INFORMATION INDUSTRY (HOLDING) CO., LTD.
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY
FUNDE (HONG KONG) INVESTMENT HOLDINGS CO., LIMITED, ITS ULTIMATE
BENEFICIAL OWNERS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer, details of which are set out in the Composite Document dated 17 April 2026, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires. On 28 January 2026, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Selling Shareholder (as vendor) for the acquisition of 699,164,575 Sale Shares, representing approximately 73.60% of the total issued share capital of the Company as at the Latest Practicable Date, from the Selling Shareholder at a total Consideration of HK\$174,791,143.75 (equivalent to Consideration of HK\$0.25 per Share).

Immediately following Completion and as at the Latest Practicable Date, save for the 699,164,575 Shares, representing approximately 73.60% of the total issued share capital of the Company, held by the Offeror, none of the Offeror, the ultimate beneficial owners of the Offeror and the parties acting in concert with any of them held any Share.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make the mandatory unconditional cash offer to acquire all of the Shares in the issued share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror, the ultimate beneficial owners of the Offeror and the parties acting in concert with any of them). Aristo Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out in the Composite Document.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all of the three independent non-executive Directors, namely Dr. Zhao Bin, Dr. Chang Shiwang and Dr. Wong Man Hin Raymond, has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Offer. Ms. Meng, the non-executive Director, is the daughter of Mr. Meng, who is the ultimate beneficial owner of the Selling Shareholder. Accordingly, Ms. Meng is not considered independent to be a member of the Independent Board Committee and has declared her interest to the Board accordingly. We, SBI China Capital Hong Kong Securities Limited (“SBI China”), have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in the same regard, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

During the past two years, we have not acted as a financial adviser (independent or otherwise) to the Company or the Offeror. We are not associated with the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice to the Independent Board Committee and the Independent Shareholders. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby SBI China will receive any fees or benefits from the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

We have reviewed (i) published information on the Company, including its annual reports for the years ended 31 December 2022, 2023 and 2024; and its announcement of annual results for the year ended 31 December 2025; and (ii) certain Comparable Companies (defined as below in this letter) for analysis purpose and the relevant information was obtained from the website of the Stock Exchange and Bloomberg. We have not, however, carried out any independent verification of the information available to us, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group, the Offeror and their respective associates or any party acting, or presumed to acting, in concert with any of them. Our opinion is necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date.

In formulating our opinion and recommendations, we have relied on the information and facts supplied and opinions expressed by the management of the Group. We have assumed that all information and representations provided by the management of the Group, for which they are solely responsible, were true and accurate at the time they were prepared or made and will continue to be so up to the Latest Practicable Date. The Independent Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in the Composite Document pursuant to Rule 9.1 of the Takeovers Code, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly. We have no reason to doubt the truth, accuracy or completeness of the information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided and referred to in the Composite Document or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on individual circumstances. In particular, the Independent Shareholders who are citizens, residents, or nationals of a jurisdiction other than Hong Kong or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

(1) Financial information and prospects of the Group

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Offer, we have considered the principal factors and reasons as set out below:

(a) Historical financial information of the Group

The Company is a company incorporated in the Cayman Islands on 11 December 2020 as an exempted company with limited liability and its Shares have been listed on the Stock Exchange since 29 December 2022. The Group is a comprehensive medical imaging solutions provider, principally engaged in providing medical imaging film products, medical imaging cloud services and sale of software in Shandong Province, the PRC.

Financial performance

The following table summarises the Group’s audited consolidated financial performance for each of the four years ended 31 December 2025 as extracted from the annual report of the Company for the year ended 31 December 2022 (the “2022 Annual Report”), the annual report of the Company for the year ended 31 December 2023 (the “2023 Annual Report”), the annual report of the Company for the year ended 31 December 2024 (the “2024 Annual Report”), and the announcement of annual results of the Company for the year ended 31 December 2025 (the “2025 Annual Results Announcement”):

	For the year ended ended 31 December			
	2022	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	177,112	156,072	155,740	88,447
— Sale of medical imaging film products	157,507	141,137	118,060	75,518
— Provision of medical imaging cloud services	19,605	14,935	9,203	2,203
— Sale of software	<i>—(Note 1)</i>	<i>—(Note 1)</i>	28,477	10,726
Gross profit	80,976	85,405	62,786	22,127
Other income and gains	2,068	2,387	8,583	6,154
Selling and distribution expenses	(23,473)	(26,563)	(17,813)	(20,011)
Administrative expenses	(27,496)	(14,334)	(13,752)	(14,214)
Profit/(loss) before tax	29,962	38,650	26,309	(31,378)
Income tax credit/(expense)	(11,676)	(10,728)	(8,859)	1,417
Profit and total comprehensive income for the year attributable to the owners of the Company	17,944	27,567	17,204	(29,716)

Note 1: As advised by the management of the Group, the sale of software was not a principal business of the Group and recognised minimal revenue for the two years ended 31 December 2023.

(i) For the year ended 31 December 2023

The revenue of the Group decreased by approximately 11.9% from approximately RMB177.1 million to approximately RMB156.1 million for the year ended 31 December 2023 attributable to (i) the decrease in sales of medical imaging film products by approximately RMB16.4 million, or 10.4%, to approximately RMB141.1 million for the year ended 31 December 2023. The Group carries both international brand models of imaging films and self-branded medical imaging films. The medical image can be displayed and stored in physical and/or digital format. When the image

is displayed in physical format, it can be printed on either international brand or self-branded medical films. The selling price of the international brand models of imaging films is higher than that of self-branded medical imaging films. As advised by the management of the Group, the Group only distributed medical imaging film products of a medical imaging products manufacturer headquartered in the United States from 2021 to 2023. Since 2022, the Group started proactively promoting its self-branded medical imaging film products. After the expiry of the aforesaid distributorship, the Group continues the provision of the medical imaging film products sourcing from the aforesaid manufacturer in the United States on a demand driven basis and self-branded medical imaging film products. As advised by the management of the Group, as at the Latest Practicable Date, the Group only provides physical medical imaging film products either manufactured by the Group or sourced from the aforesaid manufacturer in the United States. The decrease in revenue was primarily attributable to customers of the Group shifted their demand from international brand models of imaging films to the Group's lower priced self-branded medical imaging films and the Group's strategy to promote self-branded medical imaging films; and (ii) the decrease in revenue from provision of medical imaging cloud services by approximately RMB4.7 million, or 23.8%, to approximately RMB14.9 million for the year ended 31 December 2023. As advised by the management of the Group, in relation to the provision of medical imaging film products, the Group supplies physical medical imaging films either as standalone products or as part of a bundled package that includes both physical medical imaging films and medical imaging cloud services (i.e. digital medical films) for a single fee based on customers' needs and requirements. Even if the customers of the Group require only digital medical films, they are still required to purchase both the physical and digital medical film as a bundle package. Such business model applies to both international brand models and self-branded medical imaging film products. The management of the Group, having made reasonable enquiries to the auditors, and understood that under the applicable accounting policies, revenue from the said bundled sales is required to be allocated by valuation between (i) the sales of medical imaging film products segment and (ii) the provision of medical imaging cloud services segment. Such accounting treatment was first adopted in 2019. The valuation is performed by a valuer who is an Independent Third Party. Accordingly, with this accounting treatment, the decrease in the sales of medical imaging film products led to the decrease in revenue from provision of medical imaging cloud services.

The cost of sales of the Group, which mainly comprised of cost of sales of medical imaging film products as advised by the management of the Group, decreased by approximately 26.4% from approximately RMB96.1 million to approximately RMB70.7 million for the year ended 31 December 2023 mainly because the cost of self-branded film was lower than the cost of international brand film, and the overall sales cost decreased as the sales proportion of self-branded film was further expanded.

The gross profit of the Group increased by approximately 5.4% from approximately RMB81.0 million to approximately RMB85.4 million for the year ended 31 December 2023 primarily due to the significant decrease in cost of sales as discussed above. The gross profit margin of the Group increased by approximately 9.0% from approximately 45.7% to approximately 54.7% for the year ended 31 December 2023. Such increase was mainly due to the increase in gross profit margin from the sales of medical imaging film products by approximately 10.5% to approximately 51.5% as the customers of the Group shifted their demand from international brand models of imaging films to the Group's self-branded medical imaging films and the Group's strategy to promote self-branded medical imaging films, which commanded higher gross profit margin.

The selling and distribution expenses of the Group increased by approximately 13.2% from approximately RMB23.5 million to approximately RMB26.6 million for the year ended 31 December 2023 mainly because the increased labour costs and related travel, promotion and other expenses mainly in relation to marketing and promotion of the Group's self-branded medical imaging films as advised by the management of the Group incurred for the year ended 31 December 2023 for business expansion.

The administrative expenses of the Group decreased by approximately 48.0% from approximately RMB27.5 million to approximately RMB14.3 for the year ended 31 December 2023 million mainly because more intermediary service fees related to listing was incurred during the preparations for listing of the Company for the year ended 31 December 2022, which was absent for the year ended 31 December 2023.

Given the above, the profit for the year attributable to the owners of the Company increased by approximately 54.2% from approximately RMB17.9 million to approximately RMB27.6 million for the year ended 31 December 2023. If excluding the non-recurring listing expenses of approximately RMB18.4 million for the year ended 31 December 2022, the profit for the year attributable to the owners of the Company would decrease by approximately 24.2% from approximately RMB36.4 million to approximately RMB27.6 million for the year ended 31 December 2023.

(ii) For the year ended 31 December 2024

The revenue of the Group decreased by approximately 0.3% from approximately RMB156.1 million to approximately RMB155.7 million for the year ended 31 December 2024 mainly attributable to (a) the decrease in sales of medical imaging film products by approximately RMB23.1 million to approximately RMB118.0 million for the year ended 31 December 2024. As advised by the management of the Group, the decrease was primarily attributable to the decrease in selling price of medical imaging film products to some customers to attract orders for bulk volume of sales from wholesale customers, and to proactively participate in hospital tenders in

order to explore business opportunities. As advised by the management of the Group, the Group had successfully acquired certain new customers through submitting tender bids; and (b) the decrease in sales of medical imaging cloud services by approximately RMB5.7 million to approximately RMB9.2 million for the year ended 31 December 2024. As advised by the management of the Group and discussed above, the Group provided medical imaging cloud services together with the medical imaging film products to its customers. The decrease in the sales of medical imaging film products led to the decrease in revenue from provision of medical imaging cloud services; which was partially offset by the new revenue stream from the sales of medical imaging software of approximately RMB28.5 million for the year ended 31 December 2024.

The cost of sales of the Group, which mainly comprised of cost of sales of medical imaging film products as advised by the management of the Group, increased by approximately 31.5% from approximately RMB70.7 million to approximately RMB93.0 million for the year ended 31 December 2024 mainly due to the increase in the number of medical imaging film products sold. As advised by the management of the Group, the sales of medical imaging film products to wholesale customers increased order quantities of the Group but in general, lowered the selling prices of the medical imaging film products.

The gross profit of the Group decreased by approximately 26.5% from approximately RMB85.4 million to approximately RMB62.8 million for the year ended 31 December 2024 primarily due to the decrease in average selling price of medical imaging film products offered to wholesale customers. Gross profit margin decreased by approximately 14.4% from approximately 54.7% to approximately 40.3% for the year ended 31 December 2024. The decrease in gross profit margin was mainly due to the decrease in gross profit margin from sales of medical imaging film products and provision of medical imaging cloud services, which was partially offset by the higher gross profit margin from the sales of software. The gross profit margin from the sales of medical imaging film products and the provision of medical imaging cloud services decreased from approximately 54.7% for the year ended 31 December 2023 to approximately 29.2% for the year ended 31 December 2024 due to the decrease in averaging selling price of medical imaging film products. Meanwhile, the sales of software, which the Group first recognised as a reportable segment for the year ended 31 December 2024, carried gross profit margin of approximately 90% as advised by the management of the Group because the research and development costs of the software were expensed in prior years.

The other income and gains of the Group increased by approximately 259.6%, or approximately RMB6.2 million, from approximately RMB2.4 million to approximately RMB8.6 million for the year ended 31 December 2024 mainly attributable to the increase in gains from government grants. As advised by the management of the Group, such increase was mainly due to one-off municipal (市級) government grants (濟南高新技術產業開發區管理委員會財政金融部

2023年度企業上市專項資金) awarded in October 2024 and received in January 2025 for the successful listing of the Shares on the Stock Exchange. Companies with their registration and tax account in Jinan Province, the PRC were entitled to such government grant upon fulfilment of milestones during the process of listing on certain stock exchanges. The management of the Group, having made reasonable enquiries to the auditors, understood that under the applicable accounting standards, such municipal government grants was recognised as other income and gains for the year ended 31 December 2024 as the award was granted in October 2024.

The selling and distribution expenses of the Group decreased by approximately 33.1% from approximately RMB26.6 million to approximately RMB17.8 million for the year ended 31 December 2024. The decrease was primarily attributable to the decrease in channel expenses paid to distributors because of the decrease in sales of medical imaging film products through distributors.

The administrative expenses of the Group remained stable at approximately RMB14.3 million for the year ended 31 December 2023 and approximately RMB13.8 million for the year ended 31 December 2024.

Despite the revenue of the Group for the year ended 31 December 2024 decreased only slightly by approximately RMB0.3 million (or approximately 0.2%) from that for the year ended 31 December 2023, the profit for the year attributable to the owners of the Company decreased by approximately 37.7% from approximately RMB27.6 million to RMB17.2 million for the year ended 31 December 2024. The decrease was primarily attributable to the increase in cost of sales by approximately RMB22.3 million (or approximately 31.5%) mainly due to the quantities of medical imaging film products sold increased by approximately 36.6%, such increase was partially offset by approximately RMB6.2 million increase in other income and gains and approximately RMB8.8 million decrease in selling and distribution expenses discussed above.

(iii) For the year ended 31 December 2025

The revenue of the Group decreased by approximately 43.2% from approximately RMB155.7 million to approximately RMB88.4 million for the year ended 31 December 2025 mainly attributable to (a) the decrease in sales of medical imaging film products by approximately RMB42.6 million to approximately RMB75.5 million for the year ended 31 December 2025. As advised by the management of the Group, the decrease was primarily attributable to (i) the decrease in average selling price of physical medical imaging film products and selling medical imaging film products at lower price to expand its customer base. The Group proactively participated in medical institute tenders at lower price to increase its number of customers. For the year ended 31 December 2025, the Group successfully acquired over 10 new medical institute customers; and (ii) the decrease in the quantity of physical medical imaging film products sold

mainly because of increase in competition in the market and increase in use of digital imaging film; (b) the decrease in sales of medical imaging cloud services by approximately RMB7.0 million to approximately RMB2.2 million for the year ended 31 December 2025. As advised by the management of the Group and discussed above, the Group provided medical imaging cloud services together with the medical imaging film products to its customers. The decrease in the sales of medical imaging film products led to the decrease in revenue from provision of medical imaging cloud services; and (c) the decrease in sales of medical imaging software by approximately RMB17.8 million to approximately RMB10.7 million. As advised by the management of the Group, the decrease was primarily attributable to the reduction of number of customers as the software sales are one-off and not recurring in nature.

The cost of sales of the Group, which mainly comprised of cost of sales of medical imaging film products as advised by the management of the Group, decreased by approximately 28.7% from approximately RMB93.0 million to approximately RMB66.3 million for the year ended 31 December 2025 mainly due to the decrease in quantity of medical imaging film products sold. The number of medical imaging film products sold decreased by approximately 30.5%, from approximately 16.7 million to approximately 11.6 million for the year ended 31 December 2025.

The gross profit of the Group decreased by approximately 64.8% from approximately RMB62.8 million to approximately RMB22.1 million for the year ended 31 December 2025 primarily due to the decrease in the average selling price and the quantity of medical imaging film products sold. Gross profit margin decreased by approximately 15.3% from approximately 40.3% to approximately 25.0% for the year ended 31 December 2025. The decrease in gross profit margin was primarily attributable to the decrease in average selling price of medical imaging film products.

The selling and distribution expenses of the Group increased by approximately 12.4% from approximately RMB17.8 million to approximately RMB20.0 million for the year ended 31 December 2025. The increase was primarily attributable to the increase in depreciation of property, plant and equipment due to acquisition of over 200 new imaging film printer during the year ended 31 December 2025.

The administrative expenses of the Group remained stable at approximately RMB13.8 million for the year ended 31 December 2024 and approximately RMB14.2 million for the year ended 31 December 2025.

Given the above, the loss for the year attributable to the owners of the Company amounted to approximately RMB29.7 million for the year ended 31 December 2025, representing a reversal from profit attributable to the owners of the Company of approximately RMB17.2 million for the corresponding year in 2024. The loss for the year was mainly attributable to the decrease in average selling price and quantity of medical imaging film products sold as discussed above.

Financial position

The following table summarises the financial position of the Group as at 31 December 2022, 2023, 2024 and 2025 as extracted from the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Report and the 2025 Annual Results Announcement.

	As at 31 December			
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(audited)
Total assets	327,723	312,493	304,168	270,689
Total liabilities	67,082	42,175	43,662	38,413
Net current assets	226,091	230,409	201,975	175,205
Net assets	260,641	270,318	260,506	232,276

(i) Comparison between 31 December 2022 and 31 December 2023

The total assets of the Group decreased by approximately 4.6% from approximately RMB327.7 million as at 31 December 2022 to approximately RMB312.5 million as at 31 December 2023 mainly attributable to the decrease in (a) trade and bills receivables of approximately RMB34.8 million; and (b) prepayments, other receivables and other assets of approximately RMB20.6 million; which was partially offset by the increase in cash and cash equivalents of approximately RMB39.0 million.

The total liabilities of the Group decreased by approximately 37.1% from approximately RMB67.1 million as at 31 December 2022 to approximately RMB42.2 million as at 31 December 2023. The decrease was primarily attributable to the decrease in other payables and accruals of approximately RMB22.1 million.

Above all, the Group's net assets increased from approximately RMB260.6 million as at 31 December 2022 to approximately RMB270.3 million as at 31 December 2023.

(ii) Comparison between 31 December 2023 and 31 December 2024

The total assets of the Group decreased by approximately 2.7% from approximately RMB312.5 million as at 31 December 2023 to approximately RMB304.2 as at 31 December 2024 mainly attributable to the decrease in (a) prepayments, other receivables and other assets of approximately RMB44.1 million; and (b) cash and cash equivalents of approximately RMB40.1 million, which was partially offset by the increase in trade and bills receivables of approximately RMB54.0 million.

The total liabilities of the Group increased by approximately 3.6% from approximately RMB42.2 million as at 31 December 2023 to approximately RMB43.7 million as at 31 December 2024. The increase was primarily attributable to the increase in other payables and accruals of approximately RMB4.5 million, which was partially offset by the decrease in interest-bearing bank borrowings of approximately RMB3.4 million.

Above all, the Group's net assets decreased from approximately RMB270.3 million as at 31 December 2023 to approximately RMB260.5 million as at 31 December 2024.

(iii) Comparison between 31 December 2024 and 31 December 2025

The total assets of the Group decreased by approximately 11.0% from approximately RMB304.2 million as at 31 December 2024 to approximately RMB270.7 as at 31 December 2025 mainly attributable to the decrease in (a) trade and bills receivables by approximately RMB10.9 million; (b) prepayments, other receivables and other assets by approximately RMB8.0 million; (c) inventories by approximately RMB7.0 million and (d) cash and cash equivalents by approximately RMB6.3 million; which was partially offset by the increase in prepayments for acquisition of property, plant and equipment of approximately RMB3.9 million.

The total liabilities of the Group decreased by approximately 12.1% from approximately RMB43.7 million as at 31 December 2024 to approximately RMB38.4 million as at 31 December 2025. Such decrease was primarily attributable to the decrease in bank borrowings of approximately RMB4.9 million.

Above all, the Group's net assets decreased from approximately RMB260.5 million as at 31 December 2024 to approximately RMB232.3 million as at 31 December 2025.

In general, the Group's financial performance has declined since the year ended 31 December 2024, primarily due to a decrease in the selling prices of the medical imaging film products, which led to lower gross profit. The downward trend continued into the year ended 31 December 2025, during which the Group's financial performance further deteriorated and resulted in a net loss for the year. Meanwhile, the Group actively participated in medical institute tenders to explore business opportunities and expand its customer base. As advised by the management of the Group, due to the increase in competition in the market and increase in use of digital imaging film, the demand of physical films decreased and the Group has to acquire customers with lower selling prices and lower gross profit margins. The bundle sale of physical and digital medical films enhances the Group's ability to participate in medical institute tenders by providing an integrated package comprising both physical and digital formats of medical films. Nevertheless, as advised by the management of the Group, the principal business of the Group is the provision of physical medical imaging films and the Group carries both self-branded and international brand physical medical imaging films. The Group is able to sell physical medical imaging films on a standalone basis and has done so from time to time when tenders or customers require only physical films. As advised by the management of the Group, the bundle sale of physical and digital medical imaging films is the Company's policy with an aim to broaden the Group's participation opportunities in medical institutes tenders thereby enhancing its market competitiveness, and should not be considered as hindrance to the sales of the Group in cases where customers require only physical medical imaging films. The Company confirmed that it has not conducted any standalone sales of digital medical films. Accordingly, the aforesaid bundle sale would not constitute a hindrance to the sales of the Group in cases customers require only digital medical imaging films.

(b) Prospects of the Group

The Group is a comprehensive medical imaging solutions provider, principally engaged in providing medical imaging film products (i.e. traditional films) and medical imaging cloud services (i.e. digital films) in Shandong Province, the PRC. According to the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"), the healthcare systems in developed countries have shifted from traditional medical imaging films to digital films in the past two decades, and digitisation in medical imaging has since gradually become a global trend. The shift to digital films mainly is to facilitate digital storage, access, and transmission of medical imaging data for purposes such as remote consultation and diagnosis. The Group has four types of medical imaging cloud services, including digital medical imaging cloud storage platform, digital medical image platform, regional imaging diagrams platform and picture archiving and communication system ("**PACS**"). At present, medical imaging results along with other patient information are usually stored in cloud storage offered by service providers such as the Company and/or medical institutions database and could be accessed online by physicians and patients through patient portal, where the patients can still request hard copies of their medical imaging examination results for purposes such as transferring between medical institutions.

We have reviewed the 2025中國醫療器材國際化現況與趨勢藍皮書 published by Frost & Sullivan in June 2025 (the “F&S Report”). According to its website, Frost & Sullivan is a growth partnership company founded in New York in 1961 providing, among others, independent industry consultancy services. We have reviewed the prospectus of Ethk Labs Inc. (Stock Code: 1931) and Cryofocus Medtech (Shanghai) Co., Ltd. (Stock Code: 6922), being two of the Comparable Companies (defined hereafter), and noted that Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. was engaged as an expert and the independent industry consultant to give its opinion and/or advice in the prospectus of both of the said Comparable Companies. Hence, we consider Frost & Sullivan’s work a reliable reference. According to the F&S Report, driven by factors such as advancements in innovative technologies, aging population, growing number of people with chronic diseases, and increasing healthcare demands, the medical device industry in the PRC continues to maintain a relatively stable growth rate. From the analysis in the F&S Report, medical devices are categorized into five categories, namely imaging products, life supporting medical devices, vascular interventional consumables, orthopedic materials and in vitro diagnostics. Imaging products are classified as a sub-segment of medical devices in the analysis of the F&S Report. The Group is principally engaged in medical imaging film products and medical imaging cloud services; and its business activities fall within the imaging product sub-segment identified in the F&S Report. Hence, the F&S Report is relevant to the Group’s principal businesses and may serve as general reference for the sector in which the Group operates. Based on its analysis, the overall market size of PRC’s medical device industry increased from RMB 729.8 billion to RMB 941.7 billion from 2020 to 2024, with a compound annual growth rate (“CAGR”) of approximately 6.6%. Frost & Sullivan estimated that the market size of PRC’s medical device industry would continue to increase from 2024 to 2030 with a CAGR of approximately 5.9%; and from 2030 to 2035 with a CAGR of approximately 6.5%. It was projected in the F&S Report that the overall market size of PRC’s medical device industry would reach RMB 1,813.4 billion by 2035. Although the overall market size of PRC’s medical device industry is projected to grow from 2024 to 2030, as advised by the management of the Group, given that (i) the Group historically derived most of its revenue from physical medical imaging film sales; and (ii) the market trend of wider adoption of digital medical imaging films, we concurred with the management of the Group that the Group is facing challenges from increase in market competitions and the transition towards digitalization of medical imaging film despite the Company’s strategy to sell the physical and digital medial film as a bundle package.

As disclosed in the 2025 Interim Report, looking forward, the Group has chosen to vigorously develop medical imaging cloud services business in the face of the immense market opportunities while traditional medical imaging film as a product is being transformed. The Group will continue to strive and help the medical imaging centres of cooperative healthcare institutions to realise image cloud storage functions. The Group plans to utilize the technological knowledge, expertise and experience of start-ups, as well as the AI-assisted diagnostic software they are developing or have developed. The Company believes the development of software built upon its

medical imaging cloud services will complement its existing range of medical cloud services, expand its product offerings and increase its revenue in the long term, thereby strengthening its position as a one-stop provider of medical imaging solutions.

As advised by the management of the Group, the software solutions provided by the Group are mainly PACS software, which is designed to store, manage, and share digital medical images. Such software business is in-line with the prevailing medical industry development in the PRC. With reference to a press release dated 20 October 2025 published on the website of National Health Commission of the PRC (國家衛生健康委員會, <https://www.nhc.gov.cn/guihuaxxs/c100133/202511/d1a42ae835c743b9b3e83ac0253c3e9f.shtml>), it is expected by the end of 2027, a number of high-quality and credible data pools in the health sector will be established, along with the development of clinical and specialist AI models and intelligent applications to assist primary care diagnosis and clinical decision-making in specialised diseases, as well as AI-assisted patient services, will be widely used across healthcare institutions; and by 2030, AI-assisted primary care diagnosis will become universal, promoting the widespread AI application such as AI-assisted medical imaging and clinical diagnosis. We understood from the management of the Group that the PACS software of the Group helps hospitals and medical institutions to digitalise and manage their digital medical image data and is the fundamental building block of medical data pools and AI application discussed above.

The Group's business strategy to expand into medical imaging cloud services is also closely aligned with prevailing industry trends in the PRC medical device sector. As advised by the management of the Group, as at the Latest Practicable Date, the Group maintained a team responsible for the development and maintenance of its cloud infrastructure. In 2025, the Group successfully established a cloud server at a data centre in Shandong Province, the PRC, thereby transitioning from its previous reliance on outsourced server services. We concurred with the management of the Group that these developments have strengthened the Group's operational capabilities and may position it to take advantage of opportunities in the medical imaging business as they arise, which could in turn have a positive impact on its financial performance. As advised by the management of the Group, the Group is facing challenges from increase in market competitions and the transition towards digitalization of medical imaging film. According to a press release dated 20 December 2025 on the website of National Healthcare Security Administration (國家醫療保障局, https://www.nhsa.gov.cn/art/2025/12/20/art_14_19103.html), on 20 November, the National Healthcare Security Administration launched nationwide cross-provincial access to the medical insurance imaging cloud. At present, 27 provinces including Beijing, Tianjin, and Hebei have completed the deployment of medical insurance imaging cloud software. By the end of 2027, it is expected that a unified nationwide medical insurance imaging network will be established. In the future, the medical insurance imaging cloud will not only promote the sharing of medical images and enable the continuous integration of personal health information, but also empower data applications for medical institutions, clinical diagnosis and

treatment, AI-assisted diagnosis, cloud storage, and commercial insurance companies, thereby driving the integrated development of new productive forces in the healthcare sector. CT scans, X-rays, and other medical imaging records taken by patients will be centrally collected on the national medical insurance imaging cloud platform.

As mentioned in the “Industry Overview” section of the prospectus dated 15 December 2022 of the Company, driven by the needs of larger storage capacity due to the improvement in imaging devices and significant increase in image volume, cloud platform becomes a more cost-efficient way than traditional local storage. Therefore, the Group’s business strategy to develop PACS software solution and medical imaging cloud services businesses is in line with the industry trend. As discussed above, the Group first recognised sales of software as its principal business for the year ended 31 December 2024 and successfully established a cloud server at a data centre in Shandong Province, the PRC for the year ended 31 December 2025. As advised by the management of the Group, the Group is a small player in the medical software market and the Group is still in the progress of developing artificial intelligence features (such as diagnostic decision support which is available in advanced medical software) in its software. Hence, the medical software offered by the Group is not as competitive as other advanced medical software.

While the National Healthcare Security Administration (國家醫療保障局) aims to launch a unified nationwide digital imaging network by the end of 2027, according to an article dated 11 November 2025 on the website of National Healthcare Security Administration (國家醫療保障局) (https://www.nhsa.gov.cn/art/2025/11/11/art_14_18599.html), physical films remain necessary where public medical institutions lack digital processing and cloud storage capabilities, provided that the patient agrees to have the physical film and is informed about the charge of the physical film. Therefore, physical medical imaging films continue to serve as a medium for storing and sharing medical imaging data. In such case, the medical institutions must provide the films at procurement cost, without any price markup. As advised by the management of the Group, in practice, the medical institutions would reduce the use of the physical medical imaging films as it is not a profit indicator of the medical institutions. Hence, the demand and sales of physical medical imaging film of the Group would decrease. As advised by the management of the Group, the Group has prepared itself and in the process of transition to wider adoption of digital film. For the year ended 31 December 2025, the Group has installed the equipment for use of digital medical film of the Group for over 50 new medical institution customers. Despite the physical medical imaging films remain necessary during the transition towards the wider adoption of digital medical imaging films as discussed above, we concurred with the view of the Directors that the Group is facing challenges from the market trend of digitalization of medical imaging films. While the continuous demand for physical films is expected to support the Group’s revenue during this transitional period, we note that the pace and extent of the shift of the Group to digital imaging may remain uncertain.

Despite digitisation of medical image is the industry trend in the PRC as discussed above, for the year ended 31 December 2025, approximately 85.4% of the Group's revenue was contributed by the sales of physical medical imaging film products. There remains uncertainty as to whether the Group's strategy to strengthen its medical cloud infrastructure and to tap into the medical software segment can materially sustain or improve the Group's financial performance in the near term.

(2) Background and intention of the Offeror

(a) Information on the Offeror

The Offeror is a company incorporated in Hong Kong with limited liability on 17 September 2015 and is principally engaged in stock and equity investment. As at the Latest Practicable Date, the Offeror was ultimately beneficially owned as to 94% by Mr. Cheung and as to 6% by Ms. Tao. In addition, the Offeror was directly wholly owned by Funde Holdings (Group) Co., Ltd.* (富德控股(集團)有限公司) (a company established in the PRC) which is in turn held as to approximately 49.1%, 44.9%, 3.6% and 2.4% by Shenzhen City Junde Investment Co., Ltd.* (深圳市峻德投資有限公司) (a company established in the PRC) (which is wholly owned by Mr. Cheung), Mr. Cheung, Shenzhen City Fuyuanxiang Investments Co., Ltd.* (深圳市富源祥投資有限公司) (a company established in the PRC) (which is wholly owned by Ms. Tao) and Ms. Tao, respectively. The sole director of the Offeror is Mr. Zhang.

Mr. Cheung, aged 62, is the ultimate controlling shareholder of the Offeror. Mr. Cheung possesses over 20 years of business operations and management experience in the insurance and financial services industries. He is currently the director and chairman of the board of Funde Holdings (Group) Co., Ltd.* (富德控股(集團)有限公司) ("Funde Holdings") (in which Mr. Cheung ultimately beneficially owns 94% equity interest and Ms. Tao ultimately beneficially owns 6% equity interest) and the chairman of the board of Funde Insurance Holdings Co., Ltd.* (富德保險控股股份有限公司) ("Funde Insurance") (in which Funde Holdings indirectly holds approximately 20.0% equity interest). From March 2002 to July 2014, he served at Funde Sino Life Insurance Company Ltd.* (富德生命人壽保險股份有限公司) ("Funde Sino") (in which Funde Holdings indirectly holds approximately 22.1% equity interest), with his last position being the chairman of the board.

Mr. Zhang, aged 27, is the sole director of the Offeror and the son of Mr. Cheung. Mr. Zhang has served as a director of the Offeror since 2023. As confirmed by Mr. Zhang, he holds a bachelor's degree in economics and has over four years of experience in the investment industry. Mr. Zhang is currently the director and vice chairman of the board of Funde Holdings.

It is mentioned in the Letter from Aristo Securities and as confirmed by Mr. Cheung that Mr. Cheung, leveraging his extensive expertise in business operations and management, aims to explore new industry sectors (including the industry the Group operates in) through strategic investments and acquisitions, which prompted him to conduct the Acquisition through the Offeror. Also, Mr. Cheung considers that the Acquisition presents a compelling investment opportunity based on his optimistic assessment of the future outlook of the industry the Group operates in. Despite the recent deteriorating financial performance of the Group, taking into account, among others, the aging population as well as the generally increasing healthcare awareness and demand in the PRC, Mr. Cheung remains optimistic about the future outlook of the industry the Group operates in, and considers that the Acquisition presents a compelling investment opportunity.

It is also mentioned in the Letter from Aristo Securities that notwithstanding that background and experience of the ultimate beneficial owners or sole director of the Offeror may not directly correlate with the Group's principal business, Mr. Cheung possesses extensive experience in business operations and management in various industries (such as insurance, financial services and healthcare through his work experience at Funde Holdings, Funde Insurance and Funde Sino) and strategic leadership capabilities. By partnering with Mr. Cheung, the Company will have the opportunity to benefit from his profound experience in business operations and management to further enhance its competitive position in the rapidly evolving industry landscape in which the Group operates (i.e. the provision of medical imaging film products and medical imaging cloud services in the PRC) for long-term growth. In particular, it is crucial for the Group to ensure that its products and services remain robust and up-to-date in response to evolving customer preference and market trends. As set out in the 2025 Interim Report, the Group's strategic plans include expansion of customer base, enhancement in delivery of medical imaging cloud services through strategic acquisition, horizontal expansion of its value chain and increase in market awareness. Mr. Cheung's extensive managerial experience will assist the Company in formulating business strategies (including pursuing investment, acquisition and strategic opportunities) and establishing and maintaining business relationships with existing and potential customers in order to increase the Group's market presence and explore new business opportunities for its long-term sustainable development. Having said that, considering the implementation of any long-term business development of the Group is subject to the Offeror's review of the Group's operations and financial position as mentioned in the paragraph headed "(b) The Offeror's intention on the Group" below in this letter, we consider it uncertain as to whether Mr. Cheung's experience as a senior management and his network in the insurance and financial services industries and Mr. Zhang's experience in the investment industry in general are relevant to, and can substantially contribute to, the business of the Group which focuses on the provision of medical imaging film products and medical imaging cloud services.

(b) The Offeror's intention on the Group

As mentioned in the Letter from Aristo Securities, following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, (i) the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group; and (ii) no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group.

Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

The Offeror intends to continue the employment of the existing management and employees of the Group. As at the Latest Practicable Date, the Offeror has no intention to (i) nominate new Directors to the Board or otherwise change the composition of the Board; (ii) make material changes to the employment of the management and employees of the Group; and (iii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the composition of the Board, the Group's businesses and operations to optimise the value of the Group. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

(3) Principal terms of the Offer

Aristo Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share. HK\$0.25 in cash

The Offer Price of HK\$0.25 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the 699,164,575 Sale Shares under the Sale and Purchase Agreement.

The Offer is extended to all Shareholders other than the Offeror, the ultimate beneficial owners of the Offeror and parties acting in concert with any of them in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares or any other conditions.

The Offeror confirms that the Offer Price is final and will not be increased.

The Board confirms that, as at the Latest Practicable Date, (i) the Company had not declared any dividend or other distribution which remained unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer.

(4) Analysis on the Offer Price

Comparison of value of the Offer Price

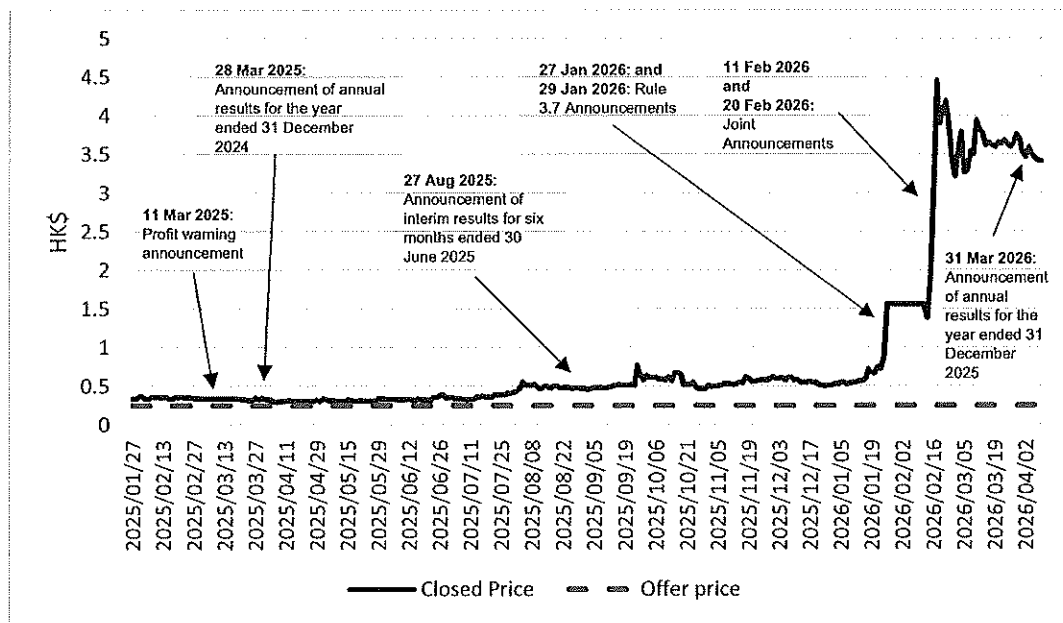
The Offer Price of HK\$0.25 per Offer Share represents:

- (i) a discount of approximately 92.7% to the closing price of HK\$3.410 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 84.0% to the closing price of HK\$1.560 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e. 26 January 2026);

- (iii) a discount of approximately 71.9% to the closing price of HK\$0.890 per Share as quoted on the Stock Exchange on the Last Full Trading Day (i.e. 23 January 2026);
- (iv) a discount of approximately 72.8% to the average closing price of HK\$0.920 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 67.7% to the average closing price of HK\$0.773 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 59.5% to the average closing price of approximately HK\$0.617 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (vii) a discount of approximately 8.4% to the audited consolidated net assets per Share of approximately HK\$0.273 as at 31 December 2025, which was calculated based on the audited consolidated net asset value attributable to owners of the Company of approximately RMB231,358,000 (equivalent to approximately HK\$259,745,627) as at 31 December 2025 (the date on which the latest audited financial results of the Group were made up) and 950,000,000 Shares in issue as at the Latest Practicable Date.

(a) Historical price performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange from 27 January 2025 (being the 12-month period preceding the Last Trading Day) to the Latest Practicable Date (the “**Review Period**”). We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Source: the website of the Stock Exchange

Note: The trading of the Shares on the Stock Exchange was suspended at 1:00 p.m. on 26 January 2026 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 12 February 2026.

During the Review Period, the lowest closing price of the Shares was HK\$0.295 recorded on 7 April 2025 and 8 April 2025 and the highest closing price of the Shares was HK\$4.45 recorded on 20 February 2026. The average daily closing price of the Shares for the Review Period was approximately HK\$0.858 per Share.

The Offer Price of HK\$0.25 represents (i) a discount of approximately 94.38% to the highest closing price; (ii) a discount of approximately 15.25% over the lowest closing price; and (iii) a discount of approximately 70.86% to the average closing price of the Shares during the Review Period. The closing prices of the Shares were above the Offer Price during the entire Review Period. The closing prices of the Shares remained relatively stable and were below HK\$0.4 from the start of the Review Period to end of July 2025. The closing prices of the Shares then fluctuated with gradual upward trend and reached HK\$0.72 on 16 January 2026. Save for the release of the announcement dated 27 August 2025 in relation to the financial results for the six months ended 30 June 2025, the Directors confirmed that they are not aware of any reasons for the aforesaid increases in the closing price of the Shares. Thereafter, the closing prices of the Shares increased sharply and reached HK\$1.56 on 26 January 2026. Trading in the Shares was suspended at 1:00 p.m. on 26 January 2026. On 27 January 2026 and 29 January 2026, the Company issued the Rule 3.7 Announcements mentioning that the Board has noticed certain increases in the price and trading volume of the Shares on 26 January 2026. According to the Rule 3.7 Announcements, the

Company was informed by Meng A Capital Limited, the controlling shareholder of the Company, that it was in discussion and negotiation with a potential purchaser for a possible disposal of 699,164,575 Shares, representing approximately 73.60% of the total issued share capital of the Company. Trading in the Shares resumed from 9:00 a.m. on 12 February 2026 following the release of the Joint Announcement pursuant to Rule 3.5 of the Takeovers Code. The closing price of the Shares was HK\$1.39 on 12 February 2026; and then increased further to the highest closing price of the Shares of the Review Period, i.e. HK\$4.45, on 20 February 2026. After the trading hours on 31 March 2026, the Company published the announcement of annual results for the year ended 31 December 2025. Revenue of the Group decreased by approximately 43.2% from approximately RMB155.7 million to approximately RMB88.4 million, and the loss for the year attributable to the owners of the Company amounted to approximately RMB29.7 million for the year ended 31 December 2025, representing a reversal from profit attributable to the owners of the Company of approximately RMB17.2 million for the corresponding year in 2024. The closing price of the Share closed at HK\$3.54 on 1 April 2026. Subsequently, the closing price of the Shares dropped to HK\$3.41 on 14 April 2026, being the Latest Practicable Date. Save for the Offer, the Directors confirmed that they are not aware of any reasons for the aforesaid increases in the closing price of the Shares.

Pre-Announcement Period

During the period from 27 January 2025 to 26 January 2026 (being the Last Trading Day) (the “Pre-Announcement Period”), the lowest closing price of the Shares was HK\$0.295 recorded on 7 April 2025 and 8 April 2025 and the highest closing price of the Shares was HK\$1.560 recorded on 26 January 2026. The average daily closing price of the Shares for the Pre-Announcement Period was approximately HK\$0.445 per Share.

The Offer Price of HK\$0.25 represents (i) a discount of approximately 83.97% to the highest closing price; (ii) a discount of approximately 15.25% to the lowest closing price; and (iii) a discount of approximately 43.77% to the average closing price of the Shares during the Pre-Announcement Period. The Offer Price was below the closing prices of the Shares during the entire Pre-Announcement Period.

From the beginning of the Pre-Announcement Period on 27 January 2025 to 28 July 2025, the closing prices of the Shares remained relatively stable and were below HK\$0.4. The Company published the profit warning announcement on 11 March 2025 and the announcement of annual results for the year ended 31 December 2024 on 28 March 2025. The revenue of the Group for the year decreased slightly by approximately 0.3% to approximately RMB155.7 million while profit for the year of the Group decreased by approximately 37.7% to approximately RMB17.2 million for the year ended 31 December 2024. The closing prices of the Shares showed a gradual upward trend and reached at HK\$0.77 on 25 September 2025 before dropping to HK\$0.465 on 27 October

2025. On 27 August 2025, the Company published the announcement of interim results for the six months ended 30 June 2025. The revenue of the Group decreased by approximately 20.4% to approximately RMB31.9 million for the six months ended 30 June 2025. The profit of the Group attributable to the owners of the Company for the six months ended 30 June 2025 amounted to approximately RMB3.4 million, as compared to the loss of approximately RMB0.2 million for the corresponding period in 2024. Subsequently, the closing prices of the Shares showed an upward trend and reached HK\$1.56 on 26 January 2026. Trading in the Shares was suspended at 1:00 p.m. on 26 January 2026 and the Company published the Rule 3.7 Announcements on 27 January 2026 and 29 January 2026.

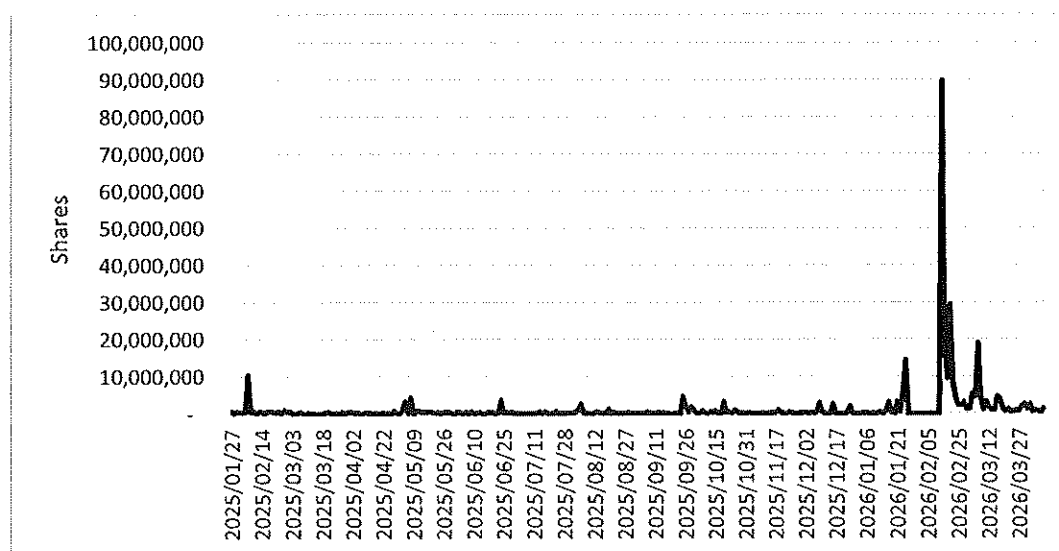
Post-Announcement Period

Following the resumption of trading of the Shares on 12 February 2026, the closing prices of the Shares dropped to HK\$1.39; but the closing price of the Shares picked up and reached the highest closing price of the Review Period, i.e. HK\$4.45, on 20 February 2026. After the trading hours on 31 March 2026, the Company published the announcement of annual results for the year ended 31 December 2025. Revenue of the Group decreased by approximately 43.2% from approximately RMB155.7 million to approximately RMB88.4 million, and the loss for the year attributable to the owners of the Company amounted to approximately RMB29.7 million for the year ended 31 December 2025, representing a reversal from profit attributable to the owners of the Company of approximately RMB17.2 million for the corresponding year in 2024. The closing price of the Share closed at HK\$3.54 on 1 April 2026. Subsequently, the closing price of the Shares dropped to HK\$3.41 on 14 April 2026, being the Latest Practicable Date. Save for the Offer, the Directors confirmed that they are not aware of any reasons for the aforesaid movements in the closing price of the Shares.

Independent Shareholders should note that the information set out above is not an indicator of the future performance of the price of the Shares, which may increase or decrease after the Latest Practicable Date and the close of the Offer.

(b) *Historical trading liquidity of the Shares*

Set out below is the daily trading volume of the Shares during the Review Period:



Source: the website of the Stock Exchange

The following table sets out the historical monthly trading volumes of the Shares and the percentage of the number of Shares traded as compared to the total number of Shares in issue during the Review Period.

Month/period	Number of trading days	Average daily trading volume	Percentage of average daily trading volume to the total number of issued Shares as at the Latest Practicable Date (Note 1)	Percentage of average daily trading volume to the total number of the Shares held by public Shareholders as at the Latest Practicable Date (Note 2)
2025				
January (Note 3)	2	402,500	0.042%	0.160%
February	20	1,031,250	0.109%	0.411%
March	21	161,190	0.017%	0.064%
April	19	200,789	0.021%	0.080%
May	20	725,500	0.076%	0.289%
June	21	414,048	0.044%	0.165%

Month/period	Number of trading days	Average daily trading volume	Percentage of average daily trading volume to the total number of issued Shares as at the Latest Practicable Date (Note 1)	Percentage of average daily trading volume to the total number of the Shares held by public Shareholders as at the Latest Practicable Date (Note 2)
July	22	115,455	0.012%	0.046%
August	21	375,238	0.039%	0.150%
September	22	522,727	0.055%	0.208%
October	20	502,750	0.053%	0.200%
November	20	190,000	0.020%	0.076%
December	21	463,333	0.049%	0.185%
2026				
January (Note 4)	17	1,725,659	0.182%	0.688%
February (Note 4)	9	18,798,153	1.979%	7.494%
March	22	2,906,669	0.306%	1.159%
April (up to the Latest Practicable Date)	7	1,114,747	0.117%	0.444%
	Max	18,798,153	1.979%	7.494%
	Min	115,455	0.012%	0.046%
	Average	1,853,126	0.195%	0.739%

Source: the website of the Stock Exchange

Notes:

1. Based on 950,000,000 Shares in issue as at the Latest Practicable Date.
2. Based on 250,835,425 Shares held by public Shareholders as at the Latest Practicable Date.
3. As the Review Period commenced from 27 January 2025, only two trading days in January 2025 fall within the Review Period.
4. The trading of the Shares on the Stock Exchange was suspended at 1:00 p.m. on 26 January 2026 and resumed at 9:00 a.m. on 12 February 2026.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period. The average daily trading volume of the Shares for the respective months during the Review Period (except from February to April 2026) ranged from approximately 115,455 Shares in July 2025 to approximately 1,725,659 Shares in January 2026, representing approximately 0.012% to 0.182% of the total number of issued Shares, or approximately 0.046% to 0.688% of the total number of issued Shares held by the public, respectively. Following the publication of the Joint Announcements, the average daily trading volume increased to approximately 6,340,351 Shares, or approximately 2.528% of the total number of issued Shares held by the public, for the period from 12 February 2026 to the Latest Practicable Date. Given the relatively active trading of the Shares from February to April 2026 following the publication of the Joint Announcements, we consider that there is sufficient liquidity in the Shares for the Independent Shareholders who would like to dispose of the Shares on the open market.

(c) Discussion on the historical closing price per Share against the NAV per Share

The Offer Price represents a discount of approximately 8.4% to the audited consolidated net assets (the “NAV”) per Share as at 31 December 2025. During the Review Period, however, the closing prices of the Shares had been consistently traded at premiums to the NAV per Share, and premium of the average closing price per Shares to the NAV ranged from approximately 14.8% to approximately 1,138.6% across the Review Period.

	Offer Price	Published NAV per Share (Note 1,3) RMB	Published NAV per Share (Note 4) HK\$	Average closing price per Share HK\$	Approximate premium to NAV
From 27 January 2025 to 28 March 2025 (i.e. from the commencement of the Review Period to the date annual results for the year ended 31 December 2024 was published, assuming the NAV per Share remained the same as at 30 June 2024)	0.25	0.2549	0.2931	0.3439	17.3%
From 29 March 2025 to 27 August 2025 (i.e. the date interim results for the six months ended 30 June 2025 was published, assuming the NAV per Share remained the same as at 31 December 2024)	0.25	0.2742	0.3153	0.3620	14.8%

	Offer Price	Published NAV per Share (Note 1,3) RMB	Published NAV per Share (Note 4) HK\$	Average closing price per Share HK\$	Approximate premium to NAV
From 28 August 2025 to 31 March 2026 (i.e. the date annual results for the year ended 31 December 2025 was published, assuming the NAV per Share remained the same as at 30 June 2025)	0.25	0.2785	0.3203	1.2869	301.8%
From 1 April 2026 to the Latest Practicable Date (assuming the NAV per Share remained the same as at 31 December 2025)	0.25	0.2445	0.2812	3.4829	1,138.6%

Source: the website of the Stock Exchange and Bloomberg

Notes:

1. The audited and unaudited consolidated net asset value per Share as at the respective year/period end date were extracted from the respective annual/interim results announcement published by the Company. Number of issued Shares refers to the monthly returns filed on the Stock Exchange.
2. RMB1 = HK\$1.15 (with reference to Bloomberg as at the Latest Practicable Date).
3. This represents published NAV per Share during the period from the trading day following the publication by the Company of its audited annual results or unaudited interim results (as the case may be) to the trading day on which the subsequent unaudited interim results or audited annual results (as the case may be) were published.
4. This represents average closing price per Share during the period from the trading day following the publication by the Company of its audited annual results or unaudited interim results (as the case may be) to the trading day on which the subsequent unaudited interim results or audited annual results (as the case may be) were published.

Despite the Group's recent financial performance is in deterioration and there are uncertainties of the Group's business outlook as discussed under the section "(1) Financial information and prospects of the Group", after taking into account:

- (i) the closing prices of the Shares had been staying above the Offer Price for the entire Review Period;

- (ii) the Offer Price represents a discount of approximately 84.0% to the closing price of the Shares as at the Last Trading Day; a discount of approximately 71.9% to the closing price of the Shares as at the Last Full Trading Day; a discount of approximately 72.8%, 67.7% and 59.5% to the respective closing price of the Shares for the five, 10 and 30 consecutive trading days immediately prior to and including the Last Trading Day; and a discount of approximately 92.7% to the closing price of the Shares as at the Latest Practicable Date;
- (iii) the Offer Price represents a discount of approximately 8.4% to the audited consolidated net assets per Share as at 31 December 2025;
- (iv) there is sufficient liquidity in the Shares for the Independent Shareholders who would like to dispose of the Shares on the open market. We noted that following the publication of the Joint Announcements, the average daily trading volume increased to approximately 6,340,351 Shares, or approximately 2.528% of the total number of issued Shares held by the public, for the period from 12 February 2026 to the Latest Practicable Date. Shareholders who intend to realise their investments in the Shares may sell the Shares in the market if net proceeds from such sale of Shares would exceed the net amount receivable under the Offer; and
- (v) the premium of the closing prices of the Shares to the NAV trading pattern during the Review Period, the Offer Price, being a discount to the NAV, does not reflect the market value of the Shares,

we consider that the Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

(5) Comparable Companies analysis

The Group is a comprehensive medical imaging solutions provider, principally engaged in providing medical imaging film products and medical imaging cloud services in Shandong Province, the PRC. For the year ended 31 December 2025, the Group generated approximately 85.4% and 12.1% revenue from sale of physical medical imaging film products and sale of software, respectively.

In assessing the fairness and reasonableness of the Offer Price, we have, based on our search on Bloomberg, identified companies listed on the Stock Exchange primarily engaged in business similar to the Group's operations, specifically (i) the provision of medical consumables; (ii) with over 50% of the total revenue attributable to such business based on the respective latest published annual reports; and (iii) with over 50% of total revenue generated from the PRC market.

Based on the above criteria, we have identified three comparable companies (the “Comparable Companies”), which represent an exhaustive list of comparable companies identified. Independent Shareholders should note that despite the aforesaid criteria, the business, the market capitalisation, the scale of operations, trading prospects and capital structure of the Group are not exactly the same as those of the Comparable Companies, and we have not conducted any in-depth investigation into the businesses and operations of the Comparable Companies.

We understood that the Group currently operates in Shandong Province. We have reviewed latest published annual and/or interim reports of the Comparable Companies; and noted that none of them provide a breakdown of revenue from the PRC by provinces. Shandong Weigao Group Medical Polymer Co. Ltd. (stock code: 1066) has its principal place of business in Shandong Province and it may carry certain operations in Shandong Province. Ethk Labs Inc. (stock code: 1931) holds a 48.45% indirect interest in Huajian Intelligent Manufacturing (Shandong) Biotechnology Co. Ltd., which is engaged in the sale of medical equipment and consumables and research and development. However, no information is available on revenue contribution from Shandong operations of these two companies. Cryofocus Meditech (Shanghai) Co., Ltd. (stock code: 6922) is headquartered in Shanghai and likewise provides no breakdown on the revenue generating from the PRC by provinces. Given the limited information available, we broadened our selection criteria to include companies with over 50% of the total revenue attributable to the comparable businesses within the PRC market. Having considered that the medical consumables and imaging sectors are subject to common industry drivers such as technological trends, which apply across provinces in the PRC; and the Comparable Companies derive a substantial portion of their revenue from similar businesses in the PRC, the Comparable Companies are meaningful references for the market comparable analysis.

Independent Shareholders should note that, market capitalisation is not adopted as a selection criteria in conducting the market comparable analysis. The principal business of the Company is relatively niche and none of the companies listed on the Stock Exchange operate exactly the same businesses of the Group (i.e. provision of medical imaging film products and medical imaging cloud services). The three Comparable Companies operate businesses similar to the Group (i.e. provision of medical consumables). The market capitalisation of the Comparable Companies ranged from approximately HK\$1,389.92 million to approximately HK\$16,280.40 million, representing approximately 5.9 times to approximately 68.5 times as implied by the Offer Price, which is substantially different from that of the Company. The Comparable Companies were selected based on industry relevance and similarity of business activities. Despite difference in operating scale, they are subject to broadly similar business dynamics and operating environment of the Group. Accordingly, we consider that the selected Comparable Companies can provide reasonable reference for the market comparable analysis. The market capitalization figures of the Comparable Companies are presented in the table below for illustration purpose only.

We have considered the three most commonly used benchmarks for valuation of companies, the price-to-earnings ratio (the “**P/E Ratio**”) analysis and/or the price-to-book ratio (the “**P/B Ratio**”) analysis, and the price-to-sales ratio (the “**P/S Ratio**”). It is noted that P/E Ratio, P/B Ratio and P/S Ratio analysis are commonly adopted valuation methods in the valuation of companies. As the Group recorded net loss for the last financial year, the P/E Ratio analysis is not applicable. Meanwhile, as the property, plant and equipment and intangible assets of the Group represented approximately 17.4% of its total assets as at 31 December 2025, being the financial year of the latest announcement of annual results of the Group; as such, we consider the inclusion of the P/B Ratio analysis is a suitable valuation method to assess the fairness and reasonableness of the Offer Price. However, we considered that the P/S Ratio is not applicable because it is usually used to value start-up companies for which both the book value and earnings are insignificant or non-existing. While the P/E Ratio and P/S Ratio are not applicable, the P/B Ratio can be considered meaningful to evaluate the fairness and reasonableness of the Offer Price.

The list of Comparable Companies set out below is exhaustive and is sufficient for us to form a view on the fairness and reasonableness of the Offer Price. Details of the Comparable Companies as at the Latest Practicable Date are summarised below:

Company name (stock code)	Principal business	Market capitalisation (HK' million)	P/B Ratio (Note 1)
Shandong Weigao Group Medical Polymer Co. Ltd. (1066)	Research and development, production and sale of medical device products, orthopaedic products, interventional products, pharma packaging products and blood management products	16,280.40	0.59
Ethk Labs Inc. (1931)	Sale and manufacture of medical equipment and consumables and provision of after-sales services related to medical equipment	1,702.56	0.50

Company name (stock code)	Principal business	Market capitalisation (HK' million)	P/B Ratio (Note 1)
Cryofocus Medtech (Shanghai) Co., Ltd. (6922)	Research and development of medical consumables and devices	1,389.92	24.30
		Max	24.30
		Min	0.50
		Average	8.46
		Median	0.59
The Company	A comprehensive medical imaging solutions provider, principally engaged in providing medical imaging film products, medical imaging cloud services and sale of software in Shandong Province, the PRC	237.50	0.89

Source: the website of the Stock Exchange and the financial reports or announcements of annual results of the respective Comparable Companies

Notes:

1. The P/B Ratio was based on the then market capitalisation of Comparable Companies as at the Latest Practicable Date, divided by the equity attributable to the owners of the company as stated in their respective latest available annual or interim report, or announcement of annual results.
2. The Implied P/B Ratio of approximately 0.89 times is based on (a) the implied market capitalisation of the Company of HK\$237.5 million based on the Offer Price and the issued number of Shares as at the Latest Practicable Date; and (b) the audited net asset value of the Company of approximately HK\$266.06 million (based on the exchange rate of RMB1:HK\$1.15 for illustrative purposes) for the year ended 31 December 2025 as extracted from the 2025 Annual Results Announcement.

Based on the Offer Price of HK\$0.25 per Offer Share and the total number of issued Shares of 950,000,000 as at the Latest Practicable Date, the Company is valued at HK\$237.5 million. The P/B Ratio of the Company implied by the Offer Price is approximately 0.89 times (the “**Implied P/B Ratio**”). The Implied P/B Ratio of approximately 0.89 times is within the range of P/B Ratio of the Comparable Companies and above the median but below the average P/B Ratio of the Comparable Companies. The Implied P/B Ratio may indicate the Offer Price is unattractive as it is below the average of that of the Comparable Companies, in particular, when considering the recent closing prices of the Shares. Independent Shareholders may choose to dispose their Shares at prices better than the Offer Price in the open market if opportunities exist. Nevertheless, only three Comparable Companies are included in the above analysis; thus, due to limited sample size, the trading multiples of the Comparable Companies are displayed for illustrative purpose only. The Independent Shareholders should place more weight on other analysis in this letter, including but not limited to (i) the financial performance and business prospects of the Group; (ii) the Offer Price as compared to the historical prevailing closing prices of the Shares; and (iii) the trading liquidity of the Shares, which form a more comprehensive analysis from the perspective of the Independent Shareholders in considering their investment return in the Shares and in considering whether or not to accept the Offer.

RECOMMENDATION

Based on the above principal factors and reasons, in particular, having considered the followings, details of which have been discussed under the section “(1) Financial information and prospects of the Group”, “(2) Background and intention of the Offeror” and “(4) Analysis on the Offer Price”,

- (i) the Offer Price is unattractive, given (a) the Offer Price is below the closing price of the Shares during the entire Review Period; (b) the Offer Price represents a discount of approximately 84.0% to the closing price of the Shares as at the Last Trading Day; a discount of approximately 71.9% to the closing price of the Shares as at the Last Full Trading Day; and a discount of approximately 72.8%, 67.7% and 59.5% to the respective closing price of the Shares for the five, 10 and 30 consecutive trading days immediately prior to and including the Last Trading Day; (c) the Offer Price represents a discount of approximately 92.7% to the closing price of the Shares as at the Latest Practicable Date; and (d) the Offer Price represents a discount of approximately 8.4% to the audited consolidated net assets per Share as at 31 December 2025; and during the Review Period, the closing prices of the Shares in general were traded at premium to the NAV;

- (ii) while the Group' business strategy to expand into medical imaging cloud services is closely aligned with prevailing industry trends in the PRC medical device sector and supported by PRC's national policy such as the launch of cross-provincial access to the medical insurance imaging cloud as mentioned in the paragraphs headed "(b) Prospects of the Group" under "(1) Financial information and prospects of the Group" above in this letter, we remain cautious on the Group's financial performance. The Group's financial performance has declined since the year ended 31 December 2024 and the decline continued into the year ended 31 December 2025. The loss for the year attributable to the owners of the Company amounted to approximately RMB29.7 million for the year ended 31 December 2025, representing a reversal from profit attributable to the owners of the Company of approximately RMB17.2 million for the corresponding year in 2024. We doubt as to whether industry opportunities and favorable policy developments can be consistently translated into business growth in the near term; and

- (iii) the uncertainty of the Company's outlook under the long-term business plans and strategies to be formulated by the Offeror, given the background and experience of the ultimate beneficial owners or sole director of the Offeror may not directly correlate with the Group's principal business, regardless the Offeror has no intention to introduce any major changes to the existing operations and business of the Group,

on the balance, we are of the view that the Offer Price is not attractive, rendering the Offer not fair and reasonable so far as the Independent Shareholders are concerned, and accordingly we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer and to sell their Shares in the market at a price higher than the Offer Price if they tend to realise their investment in the Shares and if the net proceeds (after deducting fees and expenses) received from the on-market disposal would exceed the proceeds to be received if they accept the Offer.

We noted that the total trading volume of the Shares amounted to over 169.1 million Shares with an average daily trading volume of approximately 18.8 million Shares representing about 7.5% of the number of the Shares held by the Independent Shareholders following the publication of the Joint Announcement in February 2026; and the total trading volume of the Shares amounted to over 63.9 million Shares with an average daily trading volume of approximately 2.9 million Shares representing about 1.2% of the number of the Shares held by the Independent Shareholders in March 2026; and the total trading volume of the Shares amounted to over 7.8 million Shares with an average daily trading volume of approximately 1.1 million Shares representing about 0.4% of the number of the Shares held by the Independent Shareholders in April 2026 up to and including the Latest Practicable Date. However, there is no assurance that such level of liquidity can maintain beyond the Latest Practicable Date and/or the Offer Period. Those Independent Shareholders who decide to retain part or all of their investments in the Shares should carefully monitor the financial performance of the Group and be aware of the potential difficulties that may encounter in disposing of their investments in the Shares at a price higher than the Offer Price after the Offer Period, given the generally low trading volume during the Review Period.

Yours faithfully,
For and on behalf of
SBI China Capital Hong Kong Securities Limited



Ringo Kwan
Managing Director



Evelyn Fan
Executive Director

Mr. Ringo Kwan and Ms. Evelyn Fan have been responsible officers of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) since 2005 and 2012, respectively. Both of them have participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.